Agriculture and Agri-Food Canada Agriculture et Agroalimentaire Canada

Canada

The Hong Kong Health Food Market

November 2000

Prepared for
The Consulate General of Canada in Hong Kong

Executive Summary

In recent years, Hong Kong people are increasingly concerned about their health, and using health food products had became a trend. This Consulate General of Canada sponsored study is to examine the characteristics of the health food market and to find out the general and perceived image of the Canadian health food in Hong Kong. There are great variety of health food products from different countries like U.S.A., Canada, and Japan, etc.

This study focused on three categories of health food products - **Nutraceuticals, Herbal-based products** and **Vitamins**. Although there is no official classification of health food products in Hong Kong, consumers can easily classify products into the above three categories. Among them, vitamins are the most popular as it has been in the market for a long time. Nutraceuticals are gaining popularity in recent years, and has vast market potential. Herbal-based health food is a late addition to the market but is growing fast. Many had earned faith from their consumers by proving effective in their treatment. Thus, we anticipate more new products to be introduced, especially those from developed countries.

The results of the project are based on a consumer survey of 200 people and in-depth interviews with 5 health food distributors. From our research, one sixth of the Hong Kong population uses health food products. Over half of respondents (53%) have been consuming health food for more than a year evidencing high usage rate of health food products. The study also found that almost half of the users do not follow the product instructions due negligence and forget to take the product on time. Brand loyalty is difficult to establish in Hong Kong. When consumers consider the product as ineffective, they switch to an alternative easily. Furthermore, consumers are often under peer influence in brand selection.

Hong Kong distribution channels can be divided into two types: direct and indirect. Currently, direct marketing is the most popular. Half of the consumers purchase from direct marketers. Foreign health food companies also start their business in Hong Kong to capitalize this market opportunity. Results of the in-depth interviews showed that consumers found it easy and convenient to buy health food in Hong Kong. This reflects the abundant supplies of health food products in the marketplace.

One of the main reasons for consuming health food products is to fulfill nutritional requirements. Peer influence and curiosity are other major motivations. Most health food consumers are very quality conscious when purchasing these products. They are more concerned about quality and side effects of using the product than price. Therefore, Canadian companies should produce quality health food products and price at the current market level.

In addition to product quality, promotions and good relationship with distributors are helpful. Despite of quality issues, **SQ2 Shark Cap** was one of the most promoted and successful Canadian health food products in Hong Kong. The intimate relationship between the manufacturer, local distributor and retailers all contributed to the success of SQ2. According to our study, newspaper, magazine and television are most effective in reaching potential customers. The survey also found that informative ads and using celebrity in promotions are very effective marketing tactics.

Currently, the greater availability of branded products from USA in the Hong Kong market makes it more noticeable than the Canadians'. Distributors commented that Canadian health food products are under-promoted in Hong Kong. They also think that the U.S. health food companies are more competitive than the Canadians'. Although most

respondents to our survey know SQ2 Shark Cap, but can hardly think of other brands of Canadian health food products.

We also found that Hong Kong consumers rate U.S. health food products as highest in price, product effectiveness, and least in side effects. Most respondents consider Japanese health foods are better and safer. The lower popularity of Canadian health food is due to narrower distribution channels, insufficient promotion, and inadequate after sales services.

We concluded that Canadian health food products have low consumer awareness in Hong Kong. Potential buyers are unaware of Canadian health food products because of insufficient product promotion. Canadian companies should consider using the national image in promoting their products in Hong Kong.

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Publication Date: 2000-11-01

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101-05273/

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interviews with 5 health food distributors. From our research, one sixth of the Hong Kong population uses health food products. Over half of respondents (53%) have been consuming health food for more than a year evidencing high usage rate of health food products. The study also found that almost half of the users do not follow the product instructions due negligence and forget to take the product on time. Brand loyalty is difficult to establish in Hong Kong. When consumers consider the product as ineffective, they switch to an alternative easily. Furthermore, consumers are often under peer influence in brand selection.

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One of the main reasons for consuming health food products is to fulfill nutritional requirements. Peer influence and curiosity are other major motivations. Most health food consumers are very quality conscious when purchasing these products. They are more

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We concluded that Canadian health food products have low consumer awareness in Hong Kong. Potential buyers are unaware of Canadian health food products because of insufficient product promotion. Canadian companies should consider using the national image in promoting their products in Hong Kong.

Acknowledgments

Numerous people have helped us with this project and we would especially like to thank Dr Patrick Poon, our project supervisor, for his critical comments and constructive suggestions on the project. The encouragement from Dr Poon has been extremely valuable.

Besides, we must thank the health food products companies (Pharmanex, Tack Long Dispensary LTD., Eu Yan Sang (H.K.) Ltd., Cucumber NutriHealth Centre and GAIA International (Hong Kong) LTD.) that participated in the in-depth interviews. Without their enthusiasm and trust, this project would not have been possible.

Eventually, we would like to thank our families and friends for their continuous support. They, as always, have encouraged us in their different ways.

Table of Contents

Executive Summary	**i - iv**
Acknowledgments	**v**
Table of Contents	**vi - viii**
List of Figures	**ix - x**
List of Tables	**xi**
1 Introduction	**1 - 2**
1.1 Rationale and Objectives	1 - 2
2 Research Methodology	**3 -11**
2.1 Literature Review	3 - 5
2.2 Research Design	6 - 7
2.3 Questionnaire Design	8 - 10
2.4 Sampling Method and Size	11
3 Findings and Interpretations	**12 - 62**
3.1 Market Characteristics	12 - 33
3.1.1 Trend	12 - 18
3.1.2 Place	19 - 23
3.1.3 Media	24
3.1.4 Advertisement Tactics	25 - 26
3.1.5 Package	27 - 33
3.2 Consumer Characteristics	34 - 42
3.2.1 Recognition on health food products	34 - 37
3.2.2 Consumption of Health Food	38 - 40
3.2.3 Consumers attitudes	41 - 42
3.3 Market Structure	43 - 57
3.3.1 Market Size of Health Food Products in Hong Kong	43 - 46

3.3.2 Market Segment 47 - 51
3.3.3 Distribution Channel 52 - 56
3.3.4 Competition 57

3.4 The General Image and Perceived Positioning of Canadian Products in Hong Kong 58 - 62
3.4.1 General Image 58
3.4.2 Awareness 59 - 60
3.4.3 Comparison of Perceived Positioning 61 - 62

4 Regulation and Requirements of Imported Goods 63 - 69
4.1 Trade regulations 63
4.2 Health Regulations 64 - 66
4.2.1 Trade Development Ordinance 64
4.2.2 Public Health and Municipal Service Ordinance 64 - 65
4.2.3 Pharmacy and Poisons Ordinance 65 - 66
4.2.4 The Chinese Medicine Ordnance 66
4.2.5 The Undesirable Medical Advertisements Ordinance 66

4.3 Packaged Food 67 - 69
4.3.1 Prepackaged Food 67 - 68
4.3.2 Pharmaceutical Products 68 - 69

5 Conclusions and Recommendations 70 - 78
5.1 Conclusions 70 - 73
5.2 Recommendations 74 - 78

References

Appendices

Appendix A Major Brands Available in Hong Kong Health Food Market
Appendix B List of Hong Kong Health Food Retailers, Wholesaler & Manufactures
Appendix C Questionnaire - English Version
Appendix D Questionnaire – Chinese Version

Appendix E **Focus Group Questions – English Version**
Appendix F **Focus Group Questions – Chinese version**
Appendix G **Focus Group Report for Health Food Product**
Appendix H **Transcript of In-depth Interview of Retailers**

List of Figures

Figure 3-1	Reasons for Using Health Food Products	13
Figure 3-2	Years for Having Used Health Food Products	14
Figure 3-3	Number of Consumers Who are Aware of Direct Selling Companies	18
Figure 3-4	Places for Purchasing Health Food Products	22
Figure 3-5	Factors affecting the choice of a sales outlet	23
Figure 3-6	Media for Consumer Reaching Health Food Product Information	24
Figure 3-7	Types of Container in Current Market	27
Figure 3-8	Consumers Preference of Container	28
Figure 3-9	Consumers Preference for Color of Containers (bottle)	29
Figure 3-10	Outside Packaging in Current Market	30
Figure 3-11	Consumers Preference for Outside Packages	31
Figure 3-12	Volume of Products in Current Market	32
Figure 3-13	Consumer Preference for Volume of Products	32
Figure 3-14	Recognition of Health Food Product	35
Figure 3-15a	Experience on Using Health Food Products (1)	36
Figure 3-15b	Experience on Using Health Food Products (2)	36
Figure 3-16	Usage Purpose	39
Figure 3-17	Import Value of Vitamins in 1998	44
Figure 3-18	Import Value of Vitamins in 1999 (Jan-Oct)	44
Figure 3-19	Estimated Market Size of Health Food Products in Hong Kong	46
Figure 3-20	Age of Respondents	48
Figure 3-21	Gender of Respondents	48
Figure 3-22	Occupation of Respondents	50
Figure 3-23	Education Level of Respondents	51
Figure 3-24	Direct Channel	52
Figure 3-25	Distribution Channel for Pharmanex Health Food	54
Figure 3-26	Distribution Channel for Cucumber NutriHealth Food	55
Figure 3-27	Distribution Channel for General Pharmaceutical Store	56
Figure 3-28	Numbers of Respondents Who are Aware of Canadian Brands	59

Figure 3-29 Number of Respondents Who have Used the Canadian Brands 60

List of Tables

Table 2-1	General Objectives of the Questions in Customer Survey	8
Table 2-2	Different Questionnaire Design Used in Customer Survey	9
Table 3-1	List of Direct Selling Companies	16
Table 3-2	Means of Degree of Agreement for the Efficiency of Different Advertisement Appeals	25
Table 3-3	Ranking of the Consumption Criteria	40
Table 3-4	Consumers Attitudes towards Different Situations	41
Table 3-5	Means of Different Attributes of the Countries	61

1 Introduction

1.1 Rationale and Objectives

Health food products have been sold in Hong Kong for some years. The most popular and well publicized health supplement. Besides vitamins, there are many other health food products available in the Hong Kong market. This project focuses on three main categories, i.e. Herbal-based products, Vitamin and Neutraceuticals.

A. **Herbal-based**: This category of health food product claims to have medical function in maintaining good health and enhancing immunocompetence. Generally, herbal-based health food have three main functions, to strengthen the immune system, release stress, and to prevent deficiency of the circulatory system and the heart. There are several famous types of herbal-based food, such as Echinacea, St John's Wort, Ginkgo, Garlic, Aloe etc. (Fancl House Magazine: ???? December, 1999)

B. **Vitamins**: These include different types of vitamins, produced in various product forms. Many brands of vitamins are sold in the health food market

C. **Neutraceuticals**: Nutraceuticals were introduced by Dr. Stephen DeFelice in 1989 (VITALITY, January 2000). The term Neutraceuticals is a combination of the words Nutrition and Pharmaceuticals, signifying "foods which have a medicinal effect". Dr. DeFelice stated that Neutriceuticals are drugs that are produced in forms of food.

In this report, we focus on the dispensaries, direct market companies, and some specialty stores, where the vast majority of health food products are sold.

We attempt to provide detailed market information on the followings:

- An estimation of the market size;
- Market characteristics, like trends and packaging preferences;
- The various distribution channels and their market share;
- A description of the competition and available brands;
- The general image and perceived positioning of Canadian products in the Hong Kong market;
- Market entry considerations, like import and health regulations, and labeling requirements, etc.
- A list of key importers and distributors.

2 Research Methodology

The research is divided into two stages, i.e. exploratory research and descriptive research. In this study, the primary data was collected from questionnaires. The secondary data was collected from journals, newspaper, reference books, the Hong Kong Trade Development Council (TDC) and the internet.

2.1 Literature Review

In Hong Kong, health food product is not clearly defined. According to the magazine "Vitality (January, 2000)", the various definitions of health food are:

(i) Functional Foods – the Japan points out that "functional foods" are natural foods. In addition to nutrients and a source of energy, they are also daily food.

(ii) Health Foods – the Taiwanese government states that "health foods" supply special nutrients or substances that maintain good health.

(iii) Dietary Supplements – According to the United States Food and Drug Administration, "dietary supplements" contain vitamins, herbs and minerals to replenish our daily reserves.

(iv) Nutritional Supplements – These were first permitted by the Canadian government in 1995. It is claimed that they are able to supply nutrients for

people. Also, these are vitamins or minerals or special functional milk in the form of food.

(v) Designer Food – Dr. Herbert Pierson states that "designer food" is special functional food to deal with and prevent sickness, i.e. high cholesterol and cancer etc.

(vi) Neutraceuticals – Dr. DeFelice points out that the effect of Neutraceuticals is similar to that of drug. Neutraceuticals are in the form of food.

In a survey conducted by "Vitality (January, 2000)" on 200 people, most of the respondents were aware of "Health food products". They considered health food as food than medicine.

Hong Kong has no health food regulation. As such, companies are selling health food products as general food. With the rising number of complaints on health food products, in particular shark oil and inner body cleanser, a classification or drug registration is necessary. The Hong Kong government is tightening control on health food products, in particular, those in the form of pills and tablets. The increasing availability of health food products also make the Hong Kong government consider proposing regulatory control on health food products (Ming Pao, 09 May2000).

Health foods are generally consumed as a beauty and diet supplement that gives body slimming effect and beautifying function. For example, "Fancl House differentiates its products by claiming that they are an antidote to the severe pollution in Hong Kong" (Hong Kong Economic Journal, 15 May 2000)

As reported in a consumer survey, 66% of the respondents disagreed that promotion by celebrities was effective, 19% agreed. Furthermore, two-thirds of the respondents did not believe that the celebrities were speaking their truthful experience. Only 11.76% of the respondents believed the celebrities provided honest comments. (Hong Kong News, 10 May 2000)

Periodic magazines are regarded by one of the health food companies as the most effective tool to communicate and educate consumers on health food products.

The survey of Vitality (January, 2000) found that consumers have more confident in health food products that sell in large pharmacies. In addition, consumers also trusted that they can receive professional advices from these stores.

2.2 Research Design

Stage 1 – Exploratory Research

In stage 1, we conducted in-depth interviews and focus groups for exploratory research. At the same time, we collected secondary data from the internet, Hong Kong Trade Development Council's library, Consumer Council, the information center of Hong Kong SAR Government. In-depth interviews were then held with local companies including health food agents, Pharmanex, Cucumber NutriHealth Centre, and drug stores.

In addition, we conducted 2 focus group interviews in February with an objective to understand consumers' attitude towards health food products. Each group consisted of 8-10 university students. The interview consisted of unstructured questionnaires and open-ended questions with invigilator to facilitate the discussion.

Stage 2 – Descriptive Research

Before launching the mass survey, we ran two pilot tests. The first pilot test included 15 customers and 15 retailers at the end of March 2000 with an aim to modify the questionnaire. A further test of 15 customers and 15 retailers was then carried out to further refine the questionnaires for use in the mass survey.

For the consumer survey, convenience samplings were adopted to collect primary data in April. We selected drug stores outlets such as Watson's, and other health food product retail shops; where the majority of health food products are available. On-floor staffs are target subjects for our interview. The reasons are as follows:

- Easier to reach the target interviewees
- Wide distribution possible
- Avoid collecting meaningless data
- Keep response rate higher

2.3 Questionnaire Design

Target subjects for our in-depth interviews were: health food retailers, distributors, and consumers. The interview included small retail dispensary shops located in different districts, and the interviewed distributors were mostly identified from the local telephone directory.

Table 2-1: Several Objectives of the Questions in Customer Survey

Objectives	Question Number
Market characteristics Trends	Q1, Q2, Q19
Market characteristics Consumer behavior and attitude	Q5, Q6, Q7, Q10, Q15, Q16, Q17, Q18
Market characteristics Consumer preference	Q14, Q22, Q23, Q24
Market characteristics Consumer Characteristics	Q23-Q28
Brand awareness	Q3, Q4
Promotion	Q8, Q9
Distribution channel	Q11, Q12,
Competitors' characteristics	Q3, Q4, Q22, Q23, Q24
Positioning of Canadian products in Hong Kong	Q20, Q21, Q22, Q23, Q24

Table 2-2: Different Questionnaire Design Used in Customer Survey

Questionnaire Design	Question number
Dichotomous	Q15, Q17, Q23
Multichotomous	Q1, Q4, Q5, Q6, Q9, Q11, Q12, Q13, Q14, Q16, Q18, Q19, Q20, Q21, Q25, Q26, Q27
Nominal scale	Q24, Q28
Order scale	Q7
Interval scale (self report attitude scale) Likert scale	Q22, Q23, Q24
Interval scale (self report attitude scale) Semantic differential scale	Q8, Q10
Open ended question	Q2, Q3

In the questionnaire, we collected the relevant data about all objectives of this report, they are:

- ✓ An estimate of the market size
- ✓ Market characteristics, like trends, packing preferences…etc.
- ✓ The various distribution channels and their market share
- ✓ A description of the competition and available brands
- ✓ Positioning of Canadian products, including current presence and general image of Canadian products, or perceived positioning in Hong Kong market
- X Market entry considerations including, import and health regulations, labeling requirements, etc

X Key contacts in the industry and importers/distributors

In the above table, we mostly used dichotomous, multichotomous, nominal, order and interval scales in the questionnaire design. For example, we used multichotomous questions to identify the kind of health food products and specific brands respondents have heard before and are familiar with, as well as factors that affected the customers and distributors to buy and sell. We also used Likert Summated Rating Form with 7-point rating scale to investigate attitudes of customers and retailers towards promotional tools of health food products. The questionnaire was prepared in both Chinese and English.

2.4 Sampling Method and Size

Convenience sampling method was adopted to accomplish the research. This method is suitable as it is convincing and timesaving. The sample size is 200.

The survey was conducted outside Health Food stores, including chain stores, direct marketing offices and dispensary. The target interviewees were consumers with experience of using health food products. We selected thee venues to do our interview because most consumers purchase health food from these outlet. It is more likely that these customers have better knowledge on health food products.

3 Findings and Interpretations

3.1 Market Characteristics

3.1.1 Trend

In recent years, Hong Kong's consumption of health food product is increasing. This increase is both consumer and media-driven. As the society becomes more affluent, consumers are becoming more health-conscious. The research found that influence from peers, family, and friends have significant impact to the purchase decision. Health food companies also found that youth and ladies magazines, i.e. "Sudden Weekly", "Express Weekly", "Next Magazine" etc.; are useful in promoting awareness of their products. In response, these magazines have special sections on reporting health food products. Most of the interviewees in focus group discussions and in-depth interview with distributors pointed out the following reasons for taking health food products:

1) Nutrition Requirement

2) Trend

3) Curiosity

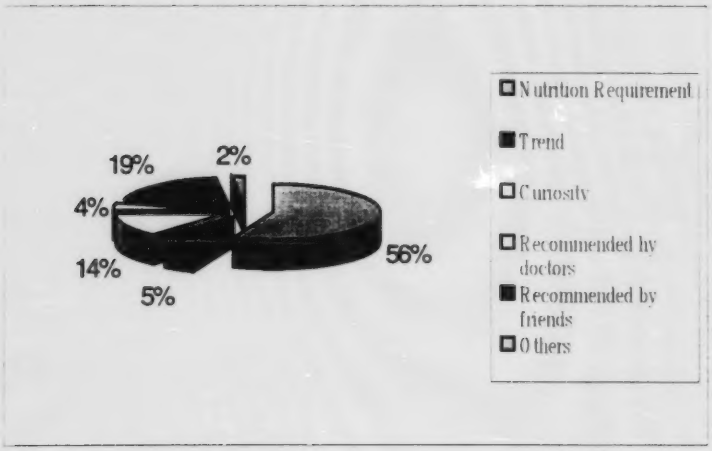
4) Suggested by doctors

5) Suggested by friends

6) To keep fit

Our consumer survey revealed that 56% of the respondents said that they use health food to replenish their energy. 19% and 14% of the respondents took health food under peer influence and out of curiosity respectively.

Figure 3-1 Reasons for Using Health Food Products



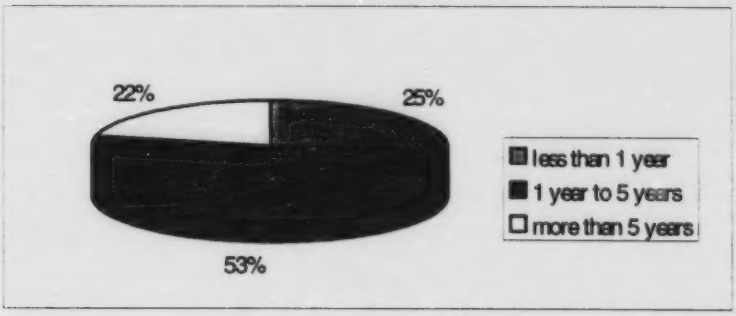
Our results show that people in Hong Kong are more concerned about their health and are spending more effort and money to stay healthy.

According to the in-depth interview with GAIA International (Hong Kong) Ltd., a direct marketing firm; and Cucumber NutriHealth Center (????), a health food distributor which has been established for a few years in Hong Kong, the trend of

consuming health food in Hong Kong started a few years back. It was confirmed in focus group interviews that most of the interviewees had started to consume health food products for the past two years. Therefore, it is a young and growing market.

This also corresponds with our result in the mass survey. Figure 3-2, shows that more than half (53%) of the respondents have used health food products for one to five years. 22 % of the respondents used health food products for less than one year and 25% for more than five years.

Figure 3-2 Years for Having Used Health Food Products



This shows that the trend of consuming health food products only starts in Hong Kong for a few years.

Direct selling is one of the most important distribution channels for health food products in Hong Kong. According to Voyager Management Consultants, since 1997, the number of direct selling companies has increased from 120 to more than 200

companies. Table 3-1 shows the list of direct selling companies in Hong Kong. We also found from an interview with a dealer of a direct selling firm, that all of the products they sell are health food products, including herbal-based food products, vitamins and neutraceuticals, etc. Moreover, most of these direct selling companies are U.S. based health companies with strong U.S. influence. Likewise, interviewee in various grouping confirmed their knowledge of direct selling companies, in particular, Herbal Life, Amway, Nu Life, GAIA International (HK) Ltd., Pharmanex, Beauticontrol, etc; their logo were shown in photo 3-1.

Table 3-1 List of Direct Selling Companies

Source: Web Site of Voyager Management Consultants

Amway	Health Circle
Beauti-Control	Herbalife? ? ?
Caring International	Japan Life
CNI	NuSkin
CornyBio	LifeStar? ?
Forever Living Products	Master Pro Health
Genufood? ? ? ?	GuardNSANu SkinNu
GIGA ? ? ? ?	LifeNutrition For LifeNuwayRexall Int'l
Greentorch	howcaseSkin Club
? ? ? ?	? ? ?
Sun RaiderYoung Life	? ? ? ? ? ? ?
? ? ?	? ?
? ?	? ?

HERBALIFE.

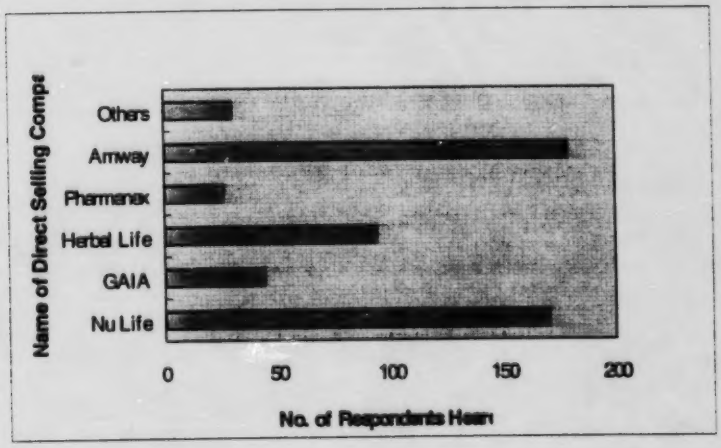
NU LIFE

PHARMANEX Hong Kong

Photo 3-1

Figure 3-3 shows customers' recognition of direct selling companies. Amway and Nu Life are the two most popular direct selling companies in Hong Kong, Herbal Life ranks third, followed by GAIA and Pharmanex. In addition to our identified list of direct selling companies, New skin, Sunrise, BeautiControl are also mentioned by respondents.

Figure 3-3 Number of Consumers Who are Aware of Direct Selling Companies



3.1.2 Place

Health food products are widely available in Hong Kong. Consumers may find them in chain stores, direct selling companies, dispensaries, specialty health shops, mail order house, or internet stores. We examine below the various types of outlets.

A. Chain Stores

There are two major personal care chain stores in Hong Kong, Watson's and Mannings, which sell a wide range of personal care products and health foods. The two chains sell some branded health food products on exclusive terms. There are about 109 Watson's stores and 151 Mannings stores in Hong Kong, making them a convenient, and popular purchase spot for health food products.

B. Direct Selling Companies

Direct selling companies are very popular in the trade. According to interviewees of the focus group, direct selling companies were referred to them by friends and therefore they have had confidence to buy health foods from these companies.

C. Dispensaries

In Hong Kong, there are many small and medium dispensaries; nearly 200 firms are listed registered in the local telephone directory. These stores mainly sell the daily consumables, i.e. toiletries, detergents, pharmaceutical products and health food including vitamins and diet supplements. They serve as a neighborhood store and therefore have established trust among its customers. Furthermore, these stores are also very price-competitive due to their relatively low overheads. Therefore it is a good sales outlet for products that need a good reference.

D. Specialty Health Stores

The number of specialty health stores is increasing in Hong Kong. They sell all types of health foods; they included Cucumber NutriHealth Center (????), Health Plus(???) and Fancl house etc. People buy from these stores because they can receive professional advice from them.

E. Mail order

This is the least popular way to buy health foods in Hong Kong. Consumers prefer to buy from local agents who have a bigger selection of health foods from various countries such as U.S.A., Canada, Australia, Japan, Switzerland, etc. As such, mail order is the least preferred by consumers. Besides, most consumers find it easier and more convenient to shop from nearby places like chain stores.

F. Internet Stores

Although internet shopping is increasingly popular worldwide, it is yet to develop in Hong Kong. Hong Kong consumers remain shy away from internet shopping due to security concerns.

Figure 3-4 shows that more than half (107) of the respondents bought health foods from Direct Selling Companies. 87 and 75 respondents bought health food mainly from chain stores and dispensary stores respectively. 66 respondents bought from specialty health shops. Only 6 respondents bought health food through mail order or Internet stores.

Figure 3-4 Places for Purchasing Health Food Products

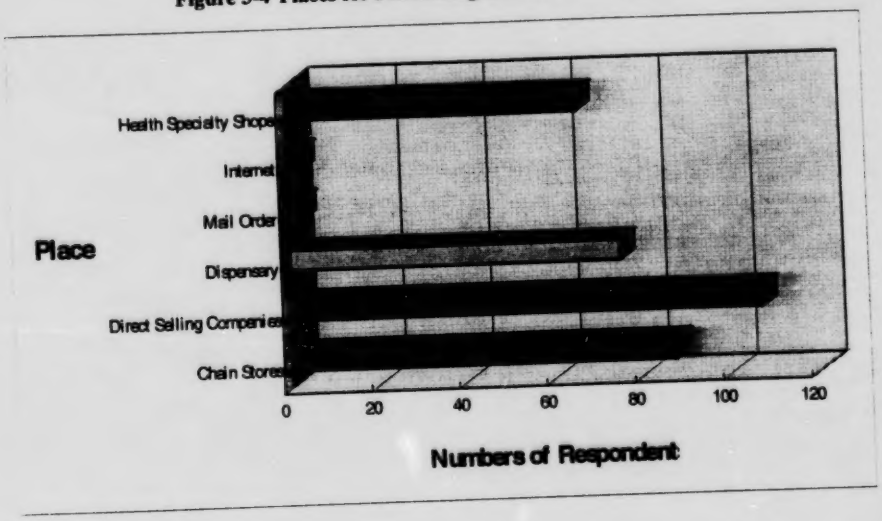
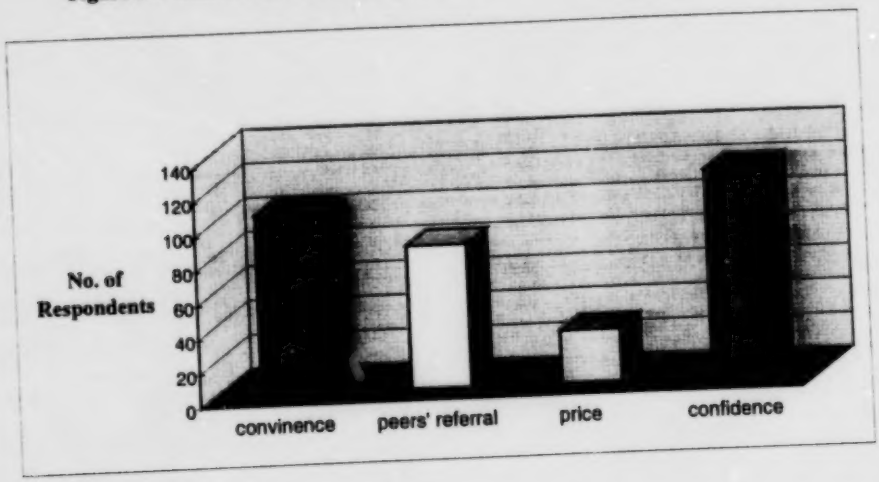


Figure 3-5, shows the factors affecting consumers' choice of health food outlets. One hundred and twenty two respondents stated that they have confidence in the outlet. 105 and 84 respondents said that they bought health food from there because of convenience and peers' referral respectively. Only 31 respondents stated that they bought from there because of lower prices

Figure 3-5 Reasons for Choosing Place to Purchase Health Food Products

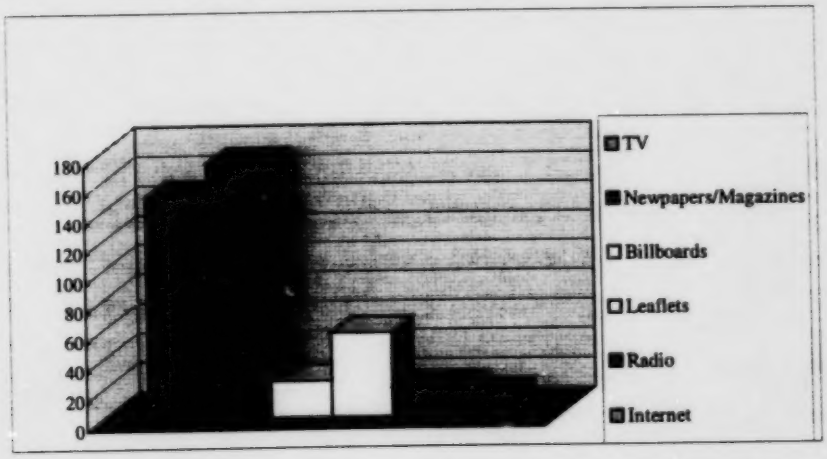


3.1.3 Media

There is a large variety of media choices in Hong Kong including television, newspapers/magazines, billboards, product and company leaflets, radio, internet, etc.

Figure 3-6 shows the more common media channels that respondents refer to for information of health food products. Newspaper is the most popular followed by is magazines (173) and television (151). 57 respondents use product and company leaflets for information. Internet is least popular with only 15 respondents use it for information.

Figure 3-6 Media for Consumers Reaching Health Food Product Information



3.1.4 Advertisement Tactics

There are four promotion tactics adopted by Hong Kong health food companies, i.e. informative, celebrity, users and testimonial.

Consumers' Point of View

Table 3-2 Means of Degree of Agreement for the Efficiency of Different Advertisement Appeals

Advertisement appeals	Means of degree of agreement *(1 - strongly disagree, 7 - strongly agree)**
Informative	5.025
Celebrity	2.170
User	4.755
Testimonial	4.830

* 1 represents "strongly disagree that the advertisement appeal stimulate the buying intention"

7 represents "strongly agree that the advertisement appeal stimulate the buying intention"

The result of survey in Table 3.1-1 shows that respondents agree that informative advertisement is the most efficient in arousing their intent to buy the health food products, whereas "user ad" and "testimonial ad" have slightly less effect on creating buying interest. The using of "celebrities" in the promotion campaign is the least efficient.

Sellers' Point of View

There is inconsistency between sellers and consumers'. Some sellers preferred to adopt "celebrities" instead of "informative" tactics. They believed that informative advertisements overloaded and bored audiences with too much information while a

celebrity draws immediate attention of their target audiences.

The efficiency of celebrity is supported in the focus group interview, we found that part of interviewees failed to recall the brands but remembered the products' spokesperson. It indicates that celebrity is effective in impressing consumers.

3.1.5 Package

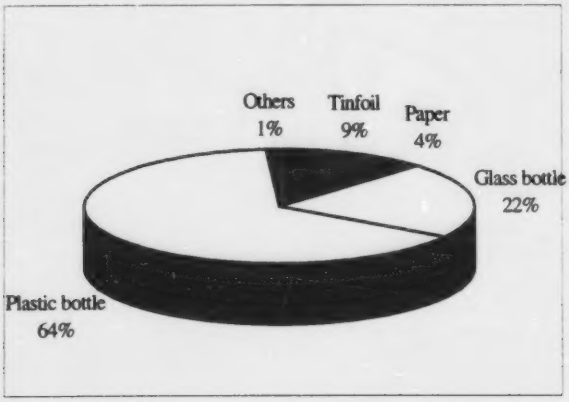
There are various types of packaging for health food products. We will explore packaging for health food products in four aspects: the container, color of package, outside package, and size.

A. Type of Containers

Current Situation

Figure 3-7 shows that the most common container is plastic bottle, 64% of the respondents said that the common package of health food products they can buy were plastic bottle. 22 % is glass bottle whereas the least common container is paper package, only 4%.

Figure 3-7 Types of Container in Current Market

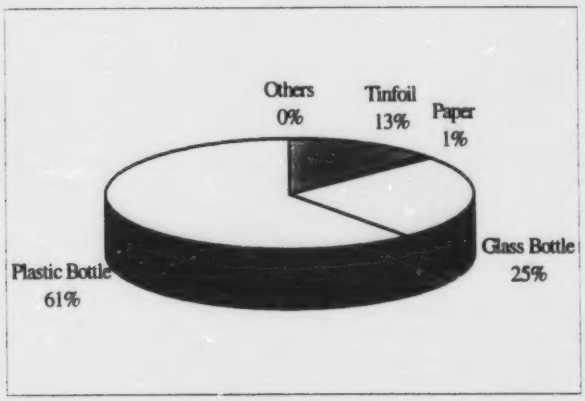


Consumers Preference

Figure 3-8 shows that health food containers found in the market are consistent to the consumer's preference. 61% of respondents showed that the most favorable package is plastic bottle whereas the least favorable is paper containers, with only 1%.

Retailers responded that customers did not like glass bottle packaging because this looks like medicine. In addition to the fragility of glass bottle, the heavy weight also increase transportation cost.

Figure 3-8 Consumers Preference of Container



B. Color of Package (bottle)

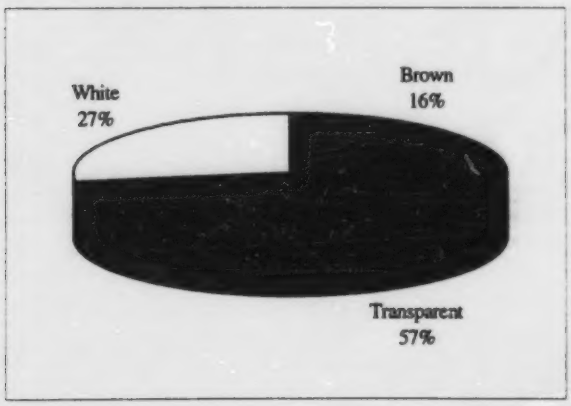
Current Situation

The most common color of packaging bottle was white. 45% of the respondents use products that are contained in white bottles, followed by transparent with 34%.

Consumers Preference

As shown in Figure 3-9, 56.8% of respondents prefer transparent containers than white, which is the most common on the market. 16% of consumers said that they prefer brown colour.

Figure 3-9 Consumers Preference for Color of Containers (bottle)

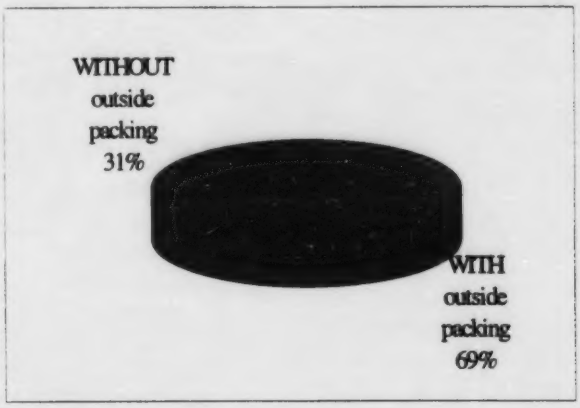


C. Outside Package

Current Situation

In figure 3-10, over half of the respondents, 69% said that the products they use are with outside packing of paper box.

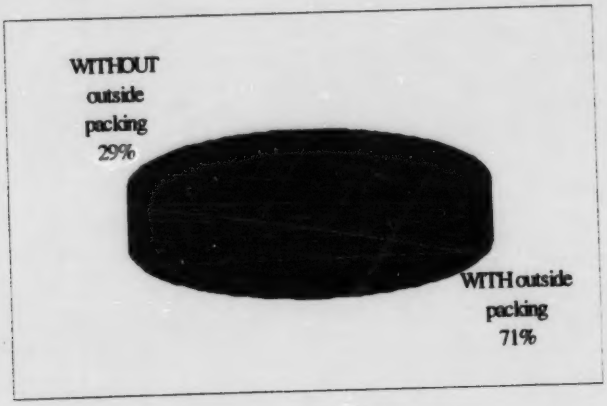
Figure 3-10 Outside Packing in Current Market



Consumers Preference

Referring to Figure 3-11, most of the respondents around 71%, preferred an outside packing. In the interview with retailers, they told us consumers normally prefer an outside package as they perceive it as more prestigious and appealing.

Figure 3-11 Consumers Preference for Outside Packing

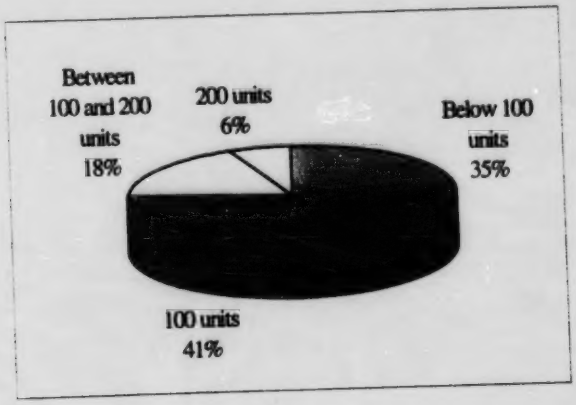


D. Size

Current Situation

Figure 3-12 shows that the most popular health food package on the market is 100 units per package with 41% of the respondents saying this is the common size they bought.

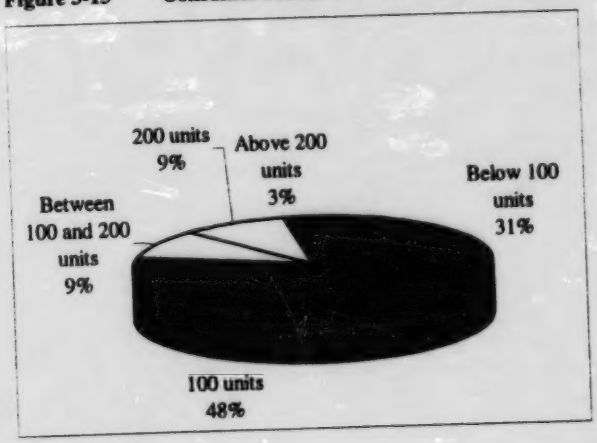
Figure 3-12 Volume of Products in Current Market



Consumers Preference

In Figure 3-13, nearly half, 48% of the respondents said that the ideal size is 100 units per package. This is consistent with the available size.

Figure 3-13 Consumer Preference for Volume of Products



Others

Some retailers said that consumers prefer packaging in confectionery form than in drug form, as it reduces consumers' hesitant to use the product.

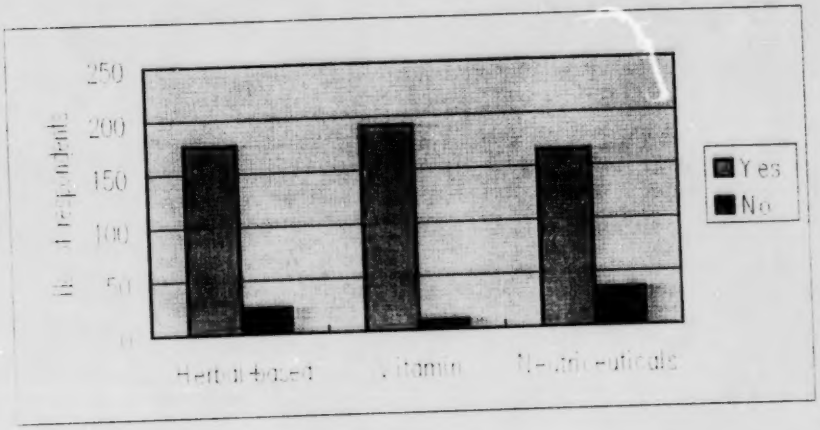
In the interview with distributors, they pointed out that consumers prefer Chinese product description in the package because it makes itself easier to understand to Hong Kong Chinese consumers.

3.2 Consumer Characteristics

3.2.1 Recognition on health food products

Hong Kong does not have a specific regulation governing the sales of Health food product. The ambiguous definition between health food products and medicine were also confusing. Referring to VITALITY (January, 2000), a survey shows that most people were aware of "health food product" but did not know how to define it. Therefore, we helped respondents to understand health food product by explanation and showing them some examples of each category. Figures 3-14 and 3-15 show the consumers' recognition of different categories of health food products.

Figure 3-14 Recognition of Health Food Product



After a simple orientation on health food products to the respondents, a result on recognizing herbal-based, vitamins and Neutraceuticals is shown in Figure 3-14.

As shown in Figure 3-14, percentage of respondents aware of herbel-based, vitamin and Neutraceuticals products were 89%, 96% and 83% respectively.

Figure 3-15a and 3-15b shows how Hong Kong people use herbal-based, vitamin and Neutriceuticals products.

Figure 3-15a Experience on Using Health Food Products (1)

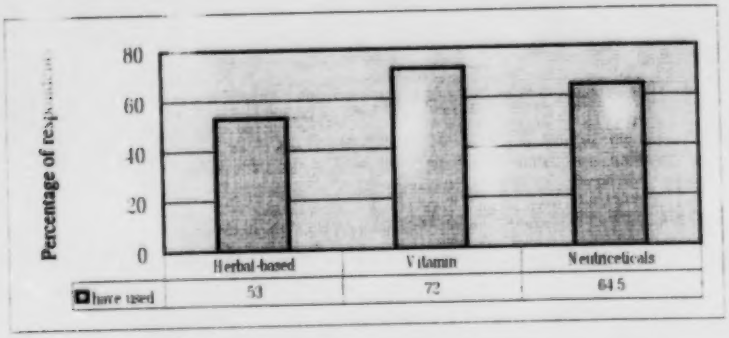


Figure 3-15b Experience on Using Health Food Product (2)

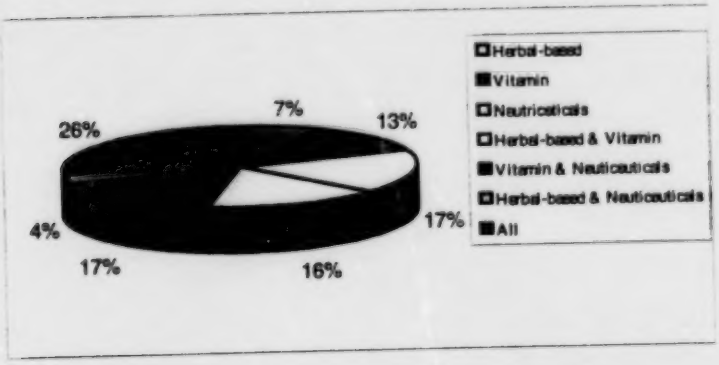


Figure 3-15a shows that vitamins were the most popular product in the health food market. More than 70% of the respondents said that they use vitamin, as they used to perceive vitamins as a form of health food products. Neutraceuticals ranked second with 65%. The high usage rate was because of the wide availability of large variety of neutraceuticals. In addition, heavy promotional effort of neutraceutical companies created high media exposure and sales. Herbal-based ranked third with 53% of the respondents.

Figure 3-15b also presents the experience of using health food products in a more precise manner. This Figure shows that the respondents may use more than one type of health food product.

3.2.2 Consumption of Health Food

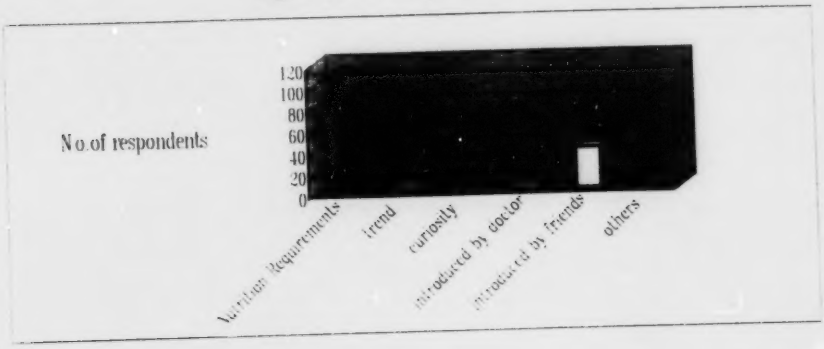
This section presents information based on the customer survey studying the consumption patterns and selection criteria of health food among different consumer groups.

A. Consumption Patterns

Consumption pattern refers to purchasing frequency and the reason of consuming health food products. Although we believed that the frequency of purchasing health food should connect with the purpose of using it, respondents were unable to give a precise answer on their purchasing frequency.

Figure 3-16 shows reasons the interviewees of consuming health food products. More than half of respondents told us that the main reason was the need of nutrition. About 20% of the respondents stated that the health food products were referred to them by their peers. Reasons for consuming health food products because of "trendy" and "doctors referrals" were only 5% and 4% respectively.

Figure 3-16 Usage Purpose



B. Selection Criteria

According to Table 3-3, selection criteria of health food products listed in descending order of priority are:

(1) Product Effectiveness

Most respondents selected product effectiveness as the most important buying factor when they purchase health food products.

(2) Side Effects

Side effect of health food products was ranked as the second important buying criteria. Respondents were concerned about disastrous side effects of health food products that may affect their health.

(3) Price

Table 3-3 shows that price was considered the third factor in a selection process. It was found that consumers spend more time to make a decision when the health food products are more costly.

Table 3-3 Ranking of the Consumptions Criteria

	Ranking
Product Effectiveness	1
Side Effect	2
Price	3
Country of Origin	4
Convenient Usage	5
Promotion	6
Package	7

3.2.3 Consumers attitudes

As shown in Table 3-4, there was no strong relationship between discount and buying; company image and buying, membership and buying, and price and quality.

Table 3-4 Consumers Attitudes towards Different Situations

Statement of Situations	Means of degree of agreement *(1 - strongly disagree, 7 - strongly agree)* *
Buy more when discount provided	3.770
Higher price means higher quality	3.800
Better company image stimulate higher buying intention	4.945
Buy more through membership as it provides discount	3.790

* 1 represents strongly disagree with the statement

7 represents strongly agree with the statement

A. Discount and Purchasing Intention

Discounting is unlikely to generate buying of health food products. The respondents disagreed that they would buy more because of discount.

B. Company image and Purchasing Intention

Most of the respondents did not have a very strong view on the connection between company image and buying. However, better company image did create a more favorite buying decision.

C. Membership and Purchasing Intention

Respondents also disagree that product discount associated with a membership scheme will encourage them to buy more health food product.

However, in the in-depth interview, distributors regarded membership as an effective marketing tool. They found membership scheme helped to establish better customer relationship. Moreover, it helped to establish confidence and support between members and consumer towards the product. In addition, this enables an incentive scheme to reward the more capable members who can sell more products. Lastly, it is also a good avenue for disseminating product information and news.

D. Price and Quality

The degree of agreement of higher-priced product providing better quality is 3.8. It suggested that the higher product price does not necessarily mean better quality for consumers.

3.3 Market Structure

3.3.1 Market Size of Health Food Products in Hong Kong

There is an increasing consumption of health food products in Hong Kong resulting in an expanding market. Since there is no available statistics due to the ambiguous definition of health food products, we are unable to calculate a meaningful size of the market. For example, there are only import statistics about vitamins, health food products in the form of herbal and food-supplement are classified into different categories impossible to isolate. Therefore we used imports of vitamin and data collected in the consumer survey to estimate the market size.

There are two methods to estimate the market size, they are:

1. The following are the import value of vitamin to Hong Kong.

Figure 3-17 Import Value of Vitamins in 1998

Source:TDC

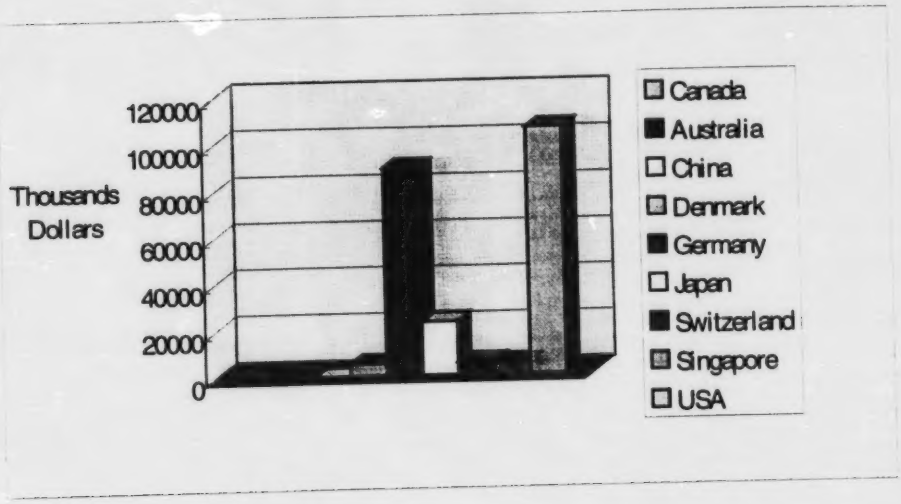
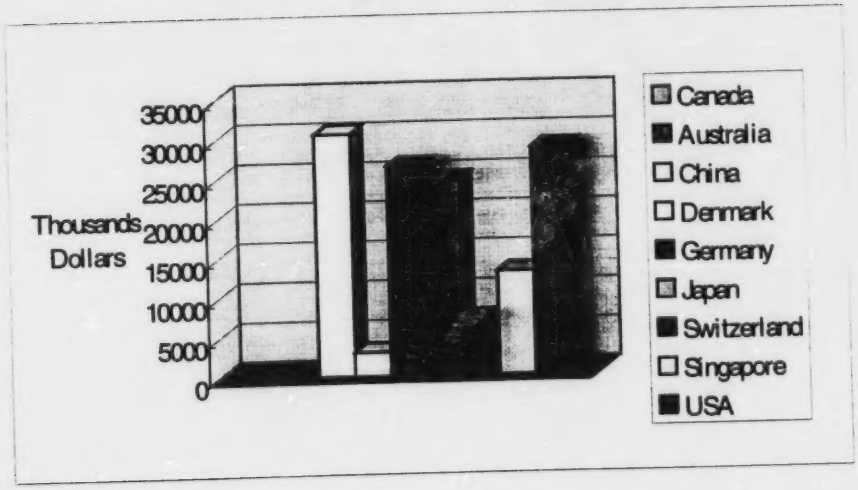


Figure 3-18 Import Value of Vitamins in 1999 (Jan-Oct)

Source: TDC



The above Figures show the value of vitamin imports by country to Hong Kong in 1998 and 1999. The leading sources of vitamin imports were Denmark, Japan, U.S.A. and Singapore. Canada shared 0.17% of the total imports. From January

to October 1999, the leading vitamin suppliers to Hong Kong were China, Denmark, Japan, Switzerland and Singapore. Canada had an even smaller portion of the market at 0.17%.

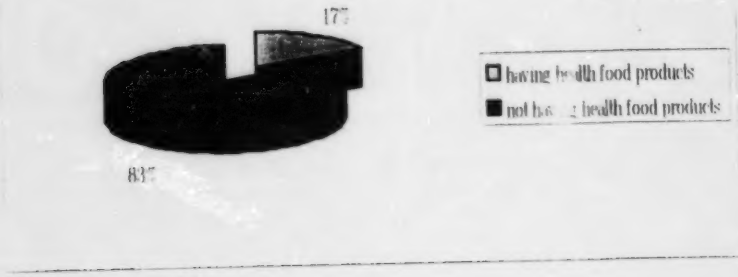
However, this only gave partial view of the market, as vitamin is only part of the total health food products. Furthermore, large portion of vitamins are intended for medical use in hospitals, public and private clinics, etc.

2. Using the customer survey to estimate the size of the market

As mentioned before, the total number of respondents is 1, 187, and only 200 of them have used health food products and the total population of Hong Kong in 1998 was about 6, 687, 200. Therefore, the number of Hong Kong people using health food products is more than 1.1 million, i.e. about 17% of total population.

Figure 3-19 Estimated Market Size of Health Food Product in Hong Kong

Source: ***Hong Kong in Figures, 1999***



3.3.2 Market Segment

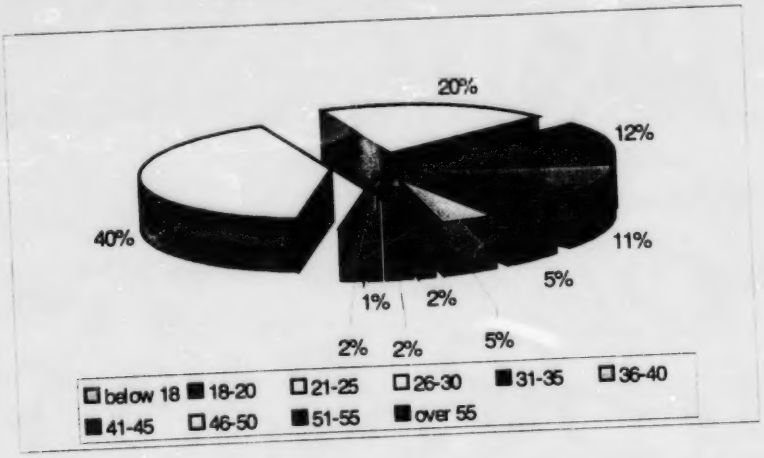
In interviews with distributors, and raw data collected in the consumer survey, the population groups can be divided by age, sex, occupation and income to show their different characteristics in consuming health food products. The information is useful for determining the target market segments for the health food products' market.

A. Age Group

Most of the distributors, such as Ms Elle Lee, Advertising and Promotions Manager of Eu Yan Sang, Ms Corin Hui from Cucumber NutriHealth Center and Mr. Rex from Pharmanex told us their target market is between aged 20-45. They explained that this age group tend to have more concern on their health and is more affordable to buy more health food products.

Besides, the results of the customer survey, Figure 3-20 shows that there were 40% of the respondents aged between 21 to 25 years old, 20% aged 26 to 30 years old, 12% aged 31 to 35 years old. The findings correspond with the distributors' identified market segment, and therefore we concluded that health food products were more popular among aged 25 to 40 in Hong Kong.

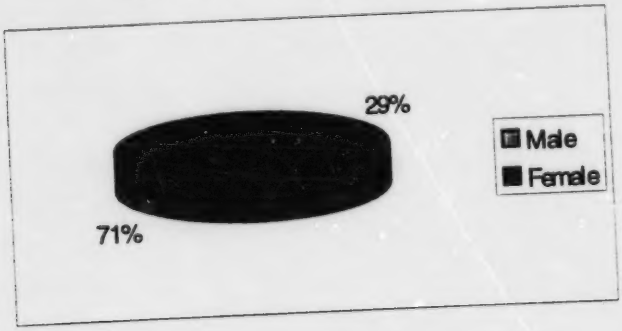
Figure 3-20 Age of Respondents



B. Gender

Figure 3-22 shows that 71 % of our respondents who claimed to have used health food products, are female. This corresponds with the comment of Mrs. Lam of GAIA International, who stated that most of its members are female. The higher percentage of female users explained the higher demand of beautifying products.

Figure 3-21 Gender of Respondents

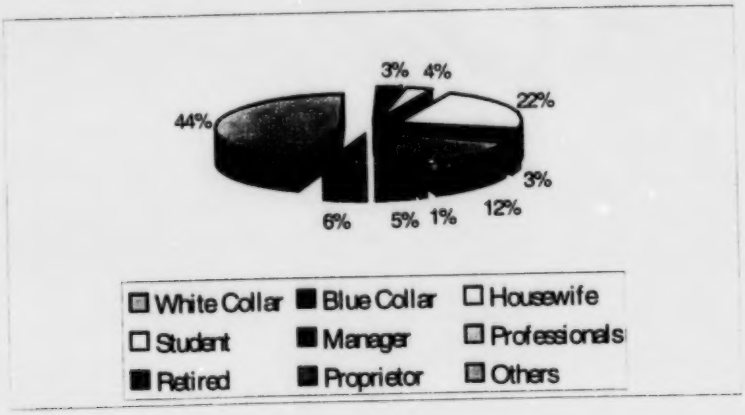


C. Occupation Group

As commented by Ms Elle Lee (Advertising and Promotions Manager of Eu Yan Sang), Eu Yan Sang target white collars, executives and housewives as their customers. She further explained that they are more concern about the quality of life, health conditions and they are more receptive to new products. Moreover health food products are not necessities and the price is relatively high when compared with other food products, it is a product for the affordable consumers.

In figure 3-22, 44% of the respondents were white collar, 22% were students and 12% were professionals. This result corresponds with Ms Lee's comments that white collars provide the greatest market potential for health food products. It is because white collars tend to have higher disposable income and are trendier. Students are more adventurous and are trend followers. Recently a research found that Hong Kong tertiary students spend approximately HK$60,000 a year.

Figure 3-22 Occupation of Respondents

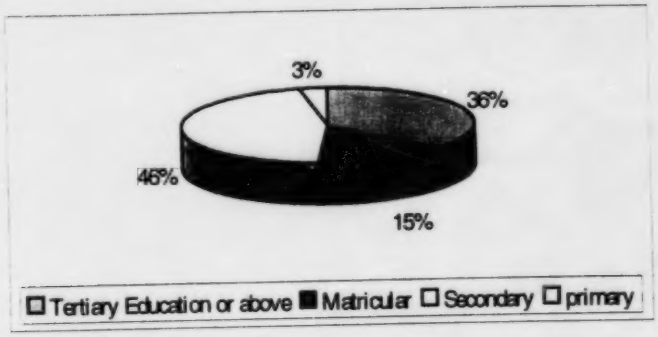


D. Education level

Generally, the education level in Hong Kong is relatively high when compared with other South East Asian countries. Therefore, Hong Kong people tend to concern more of their living standard, and are more health conscious.

Figure 3-23 shows that 46% of the respondents finished their Secondary education, and 36% are either tertiary educated or above. It is found that more educated groups tend to spend more on health food than the less educated group. Furthermore, the more educated groups have more knowledge about keeping their health and are more willing to adapt western culture.

Figure 3-23 Education Level of Respondents



As a conclusion, the market segments that provide the biggest market potential for health food products in Hong Kong:

1) Aged 20 to 45

2) Female

3) White collar, students, professionals and housewives

4) More educated groups with secondary education or above.

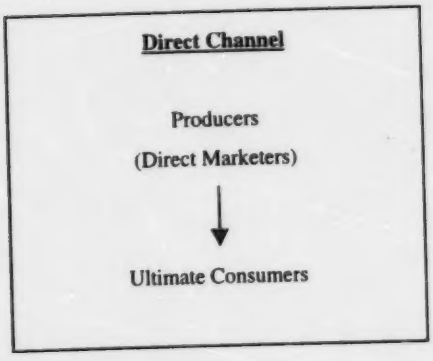
3.3.3 Distribution Channel

There are different distribution channels for health food products. Canadian exporters should select a channel that fits their marketing strategy and capable of delivering their products to the target market segments.

A. Direct Channel

Figure 3-24 shows the most popular distribution channels for health food products, the direct channel of distribution. It is employed by most of the foreign health product companies like Herbal Life, Pharmanex, and Amway. These companies sell directly to customers and use word-of-mouth to sell their products. These companies normally sell products under their own brands. Therefore, producers and ultimate end users develop closer relationships in this channel of distribution.

Figure 3-24 Direct Channel



B. Traditional Channel

Indirect channels of distribution are popular among Hong Kong distributors. The routing of the channel:

1. Producers to Wholesalers to Retailers to Consumer
2. Producers to Agents to Consumer

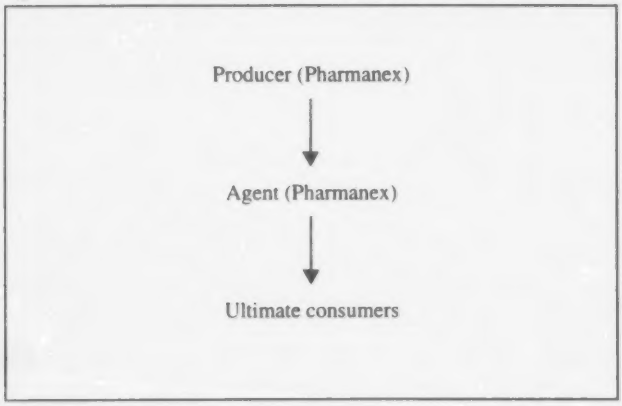
Followings are cases showing different distribution channels in Hong Kong:

Direct Marketing –

Distribution Channel for Pharmanex Health Food Company

Pharmanex is the U.S. health food company that distributes their products to end users directly in Hong Kong. The company is based in the U.S.A. and distributes its products globally through their agents in different regions including Hong Kong. The company sources own-branded health food products from China, U.S.A., England etc. In Hong Kong, the company adopts word-of-mouth promotion and sells directly to end-users.

Figure 3-26 Distribution Channel for Pharmanex Health Food

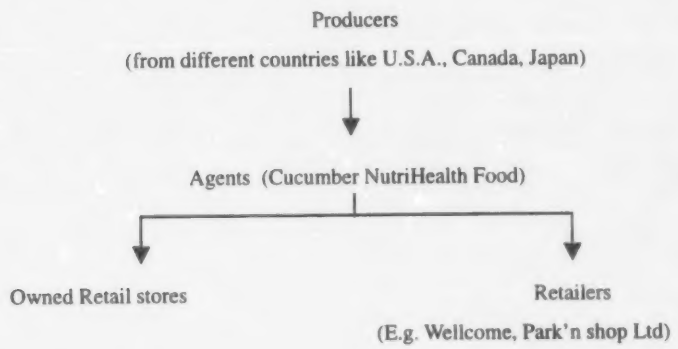


Traditional Channel –

Distribution Channel for Cucumber NutriHealth Food

Cucumber NutriHealth is a Hong Kong based specialty health food store. The company sources products globally, and sell the products in their original form. To help consumers to better understand their products, the company translates the label to Chinese. In addition to its own retail outlets, the company also distributes to other retailers. This is a very common form of distribution in the Hong Kong health food sector.

Figure 3-26 Distribution Channel for Cucumber NutriHealth Food

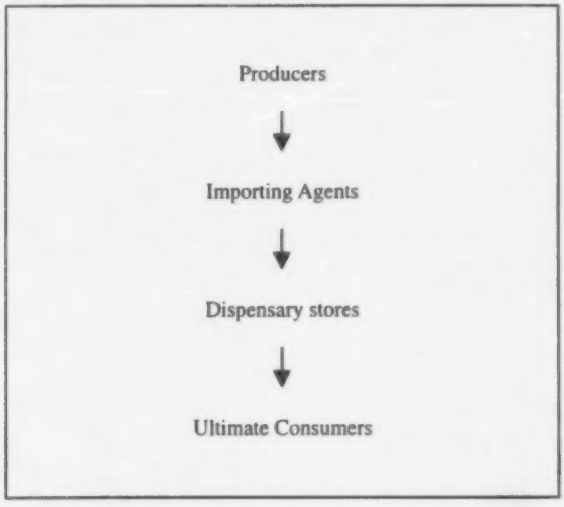


Traditional Channel –

Distribution Channel for General Dispensary Stores

The majority of registered pharmacies in Hong Kong purchase health food products from local distributors, or importing agents, and sell to consumers. A small number of these importing agents purchased health food products in bulk and repack into smaller package for sale in Hong Kong. They mainly source health food products from Germany, U.S.A., Japan and Australia.

Figure 3-27 Distribution Channel for General Pharmaceutical Store



3.3.4 Competition

As shown in Appendix A, Hong Kong's health food products are mainly supplied by the U.S.A., the U.K., Switzerland, Japan, Australia and Canada. Minor suppliers included Malaysia, Singapore, New Zealand, Germany and Finland. Among those countries, the U.S.A. is the largest health food supplier to Hong Kong, followed by Japan (15.89%) and Australia (14.02%).

Among various brands, herbal-based health food, ? ? ? ? ? of Hong Kong scored the highest level of awareness of 80%. "Fancl House" of Japan has awareness of 51%, followed by "Pro-Nature" of Hong Kong based Eu Yan Sang (H.K) Ltd. of 44.5%. The third most recognized brand was Vita-Green, with 34%.

Vitamin is the most competitive health food product in Hong Kong. As such, we have proposed five most popular brand to check on their consumers' awareness of the products. "Sandoz" was the most recognized products with a 55% awareness level. Followed by Doctor's Choice that scored 49.5% and Redoxon, 45%.

Regarding brand recognition of Neutraceuticals, Canadian made SQ2 Shark Cap was the most recognized product with a 77.5% awareness. Fancl House of 50% is the second most popular products and the third is Imedeen of 49%.

3.4 The General Image and Perceived Positioning of Canadian Products in Hong Kong

3.4.1 General Image

During the in-depth interview, distributors told us that wholesale price of Canadian health food products are relatively lower than other countries despite the larger variety of products available in the market

Lack of communication between Hong Kong retailers and Canadian health food suppliers was the main reason that made promotion of Canadian products at the retail level difficult. One of the interviewees of the in-depth interview said that there was no sales support from Canadian health food suppliers Thus, they are unable to establish a good product knowledge of Canadian suppliers.

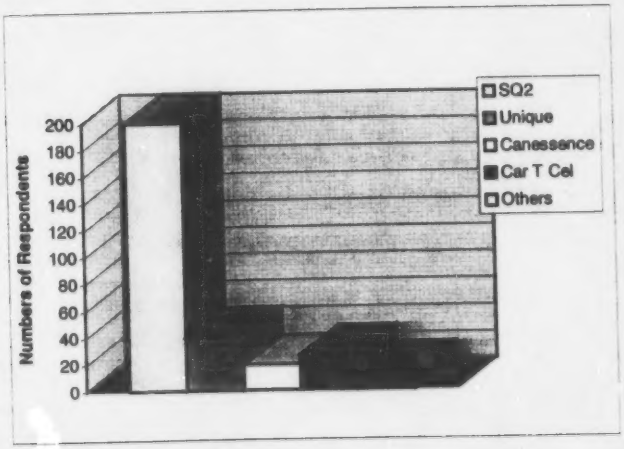
3.4.2 Awareness

In the exploratory research, retailers and interviewees pointed out that the most familiar Canadian brands to the respondents are SQ2, Unique, Canessence and Car T Cell NF. As such, the awareness of these products were tested in the consumer survey.

A. The respondents are aware of the brands

As shown in Figure 3-28, all 200 respondents heard about more than four Canadian brands and 13 respondents, 6.5% heard other Canadian brands including Jamieson and Centrum. SQ2 is the most popular brand among these brands, with 100% awareness. Following SQ2, the second most popular brand is Unique. 40 respondents (20%) recognize the brand.

Figure 3-28 Numbers of Respondents Who are Aware of Canadian Brands

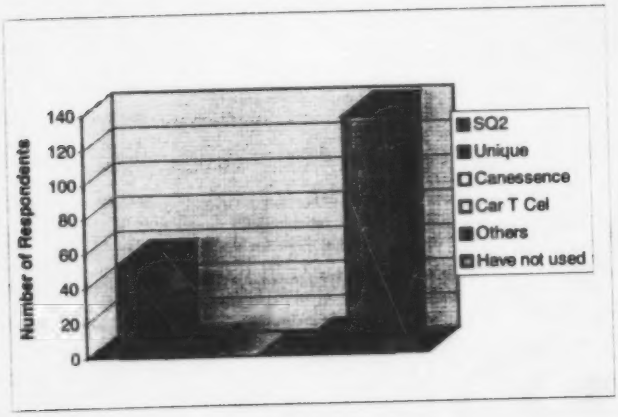


B. The respondents who have used the brands

Figure 3-29 shows that 137 (68.5%) of the respondents have not used all of the above Canadian brands even though they are aware of the brands. 54 respondents (27%) have used SQ2 before, and only 5 of them, 2.5% have used Unique. No one has used Canessence and Car T Cell.

Respondents commented that country of origin is not a determining factor in a buying decision.

Figure 3-29 Number of Respondents who have Used the Canadian Brands



3.4.3 Comparison of Perceived Positioning

Following is an examination of the perceived positioning of Canadian health food in comparison with three major competing countries, i.e. the U.S.A., Australia and Japan.

Table 3-5 Means of Different Attributes of the Countries

	Effectiveness	Side Effect	Price	Trust in products
U.S.A.	**3.740**	**4.040**	**3.670**	3.795
Australia	3.500	3.825	3.430	3.495
Canada	3.520	3.780	3.350	3.575
Japan	3.555	3.905	3.250	**4.015**

1 = strongly disagree 5 = strongly agree

A. Effectiveness

As found in the survey, respondents felt that the U.S. health food products provide the highest degree of effectiveness among the four countries whereas Australian is seen to be the least effective. The average degree of agreement to "the U.S. products are effective" and "Australian products are effective" are 3.74 and 3.5 respectively. Canadian products' perceived effectiveness is relatively low. The average degree of agreement to "Canadian products are effective" is 3.52, which is marginally higher than Australian.

B. Side Effects

The survey found that respondents felt the U.S. products generate the least side effects

such as breeding acne whereas Canadian products ranked last. The average score of U.S. products and Canadian products are 4.04 and 3.78 respectively. The result also revealed that consumers have positive comments in all countries.

C. Price

The survey revealed that respondents felt that price of U.S. brands are reasonable whereas Japanese products are less modest. The average scores of U.S., and Japanese brands are 3.67 and 3.25 respectively. Although respondents have different views about the competitiveness of different products, they generally accepted that the current pricing of health food products as reasonable.

D. Trust in Products

According to the survey, respondents have the most confidence in Japanese brands mostly for its overall performance among the four countries. Respondents had the least trust in the Australian brands.

4 Regulations and Requirements of Imported Goods

4.1 Trade regulations

The Hong Kong Special Administrative Region (HKSAR) Government adopts an open market policy in order to support an open and free commercial and investment environment. She aims to maintain the least control on trade. Hong Kong also has a simple tax system that tax will only be levied on profits or income originated in Hong Kong.

Hong Kong is a free port, other than liquor, tobacco, hydrocarbon oil and methyl alcohol, there is no customs tariff on the goods imported to Hong Kong. Importers are required to lodge with the Customs and Excise Department an import declaration within 14 days after the importation of the goods. Control of health food is not included in this regulation.

Further information can be reached at the homepage of the Customs and Excise Department, http://www.info.gov.hk/customs/trade/indx.htm.

4.2 Health Regulations

Hong Kong has no specific regulation established for health food products and it is regulated under the current food and drug regulations. They are:

4.2.1 Trade Descriptions Ordinance

Health food products are considered as general commodities regulated by the Trade Descriptions Ordinance (Cap. 362), which provides that any person who, in the course of any trade or business, applies a false trade description to any goods commits an offence. The Ordinance is enforced by the Customs and Excise Department.

4.2.2 Public Health and Municipal Services Ordinance

Health food products as general food products are subject to the regulation of the Public Health and Municipal Services Ordinance (Cap. 132), which provides that manufacturers and sellers of food have a responsibility to ensure that their products are fit for human consumption.

The Food and Environmental Hygiene Department of the Government of the HKSAR is responsible for implementing territory-wide policies of food safety control and

enforcing the food legislation. The ordinance empowers the departant to take food samples at points of entry to the territory for various kinds of tests, including bacteriological examinations and chemical analyses.

Food importers, through close liaison with exporting countries, are responsible for ensuring that food items they procure comply with the local legislation. To ensure the hygiene of food, importers are encouraged to obtain health certificates issues by health authorities of countries of origin to accompany their imports certifying that the food products concerned are fit for human consumption.

4.2.3 Pharmacy and Poisons Ordinance

The Pharmacy and Poisons Ordinance (Cap. 138) provides a registration system for pharmaceutical products to safeguard the safety, quality and efficacy of products, and includes the requirement that claims in the product descriptions must be truthful. The Pharmacy and Poisons Regulations of the Ordinance also provide that medicines should be labeled with detailed description of the dosage and the route and frequency of administration. Inspectors of the Department of Health inspect thousands of pharmacies and medicine shops every year. They check the validity of product

descriptions and the descriptions that differ from those approved when the products were registered.

4.2.4 The Chinese Medicine Ordinance

The Chinese Medicine Ordinance (Cap. 549) established last year provides a regulatory framework for monitoring the safe use of proprietary Chinese medicines, including health food products which contain Chinese medicines. According to Department of Health in 1997, approximately 70% of the health food products available on the market contain Chinese medicines. Subsidiary legislation to implement the registration system is expected to be introduced later. Manufacturers and wholesalers must obtain a license before manufacturing or selling such medicines.

4.2.5 The Undesirable Medical Advertisements Ordinance

The Undesirable Medical Advertisements Ordinance (Cap. 231) provides that no person should publish any advertisements, including trade descriptions and labels, claiming that any medicine or treatment has curative or preventive effects on any of the diseases as specified in the Ordinance. This Ordinance also applies to health food products.

4.3 Packaging regulations

Labeling of health food products, as prepackaged food and/or pharmaceutical products, are regulated under Food and Drugs (composition and labeling) Regulations and Pharmacy and Poisons Ordinance and Regulations (Cap 138).

4.3.1 Prepackaged Food

Under the Food and Drugs (Composition and Labeling) Regulations, all food manufacturers and packers are required to label following

1. Name

Food name or designation must be labeled or marked

2. List of ingredients

List of ingredients in descending order of weigh or volume

3. Appropriate indication

It can be presented as "best before", "use by" in Chinese and English or in Arabic form and expressed in terms of a day, a month and a year

4. Statement of storage or instruction for us (if applicable)

If special conditions and instructions for the storage and use are required, explanatory statements must be marked on the food's package.

5. Name and address of the manufacturer or packer

Full name or business name and the full address or details of the registered or principal office of the manufacturer or packers must be labeled.

6. Count, weight or volume of food

The food's weight and volume must be marked with the numerical count of the contents or with weight or net volume of the food.

7. Appropriate language

It is not necessary to have both the Chinese and English language on the food's package, the use of either one language is acceptable. If the name is written in both languages, the list of ingredients must also be expressed in both languages.

More details can be obtained at the Food Surveillance and Control Division, Food and Environmental Hygiene Department, Tel.: 2867-5577.

4.3.2 Pharmaceutical Products

Under the guideline set out in the Pharmacy and Poisons Ordinance and Regulations (Cap 138), general labeling requirements are followings.

1. Name of the product

2. Name and quantity of each active ingredient

3. Name and address of the manufacturer

   Hong Kong registration number of the product (HK-XXXXX)

4. Batch number

5. Expiry date

6. Specific storage conditions, if any.

5 Conclusions and Recommendations

5.1 Conclusions

Health food products are available in Hong Kong for a long time, but it is increasingly popular in recent years due to the large number of imported products and massive promotion campaign. Vitamin was considered by consumers as a health food product well before the introduction of neutraceuticals and herbal-based products.

Size of the Market

It is estimated that one sixth of Hong Kong's population is using health food products.

Market Characteristics

Consumption Pattern

The reasons for Hong Kong people to consume health food product included fulfilling personal nutrient requirements; referral from peers, and curiosity. Therefore, "word of mouth" is a very important tool in promoting sales as consumers always refer to their peers for recommendations and comments. As such, direct selling is a major distribution channel for health food products.

Factors affecting buying decision

It was found that consumers are influenced by these factors in making a decision to buy health food products. These factors are: effectiveness, side effects, and price of products. Effectiveness was found to be the determining factor in making a purchase decision.

Promotion tactics

Currently, newspapers, magazines and TV are the most common advertising media. A few health food marketers believed that use of celebrities in promoting a product is the most effective tactic to lure attention of consumers. However, it was proven by the survey that consumers are more concerned about product information than the celebrity promoting the product.

Distribution Channels

In Hong Kong, distribution channels can be divided into two types: direct and indirect channels. Direct marketers sell directly to end-users, whereas middlemen, including agents, wholesalers and retailers, are involved in product distribution in the indirect channel. Currently, direct marketing is most popular. Half of the health food users purchase products directly from direct marketers.

Consumers' characteristics

Knowledge about Health Food Products

Consumers are not fully aware of the definition of the three categories of health food products, i.e. herbal-base, vitamins and neutraceutials, especially the latter two. However, they can differentiate the various products when they were informed of the product definition. Therefore, consumer education is an important task in a successful marketing.

Eating habits

Almost half of users did not follow the dosage instructions. It was found that they either forget to take the products on time or do not concern about taking health food according to instruction. Therefore, health food manufacturers should design the product to be more convenient for consuming.

Switching brands

Brand switching is quite common in the Hong Kong market. Near half of users have switched brands. The reasons for switching are that the brand they are using is ineffective, and peer's referral of another brands. Therefore, peers are found to be

very influential in making the first purchase.

Positioning Canadian Health Food Products

Lots of respondents were aware of Canadian health food, especially SQ2 Shark Caps. However, only few of them have used Canadian products. It was interesting to find that some respondents told us that they did not know the country of origin of the products they used.

U.S.A, Australia and Japan are three major competitors in the Hong Kong market. In the survey, more consumers said that they had more confidence in Japanese products. Respondents also thought that U.S. products were the most effective and had the least undesirable side effects. They also trusted that prices of the U.S. products were the most reasonable.

5.2 Recommendations

According to the findings and information from the in-depth interview with distributors and from the customer survey, we suggest the following marketing strategies:

Product

1. The Canadian health food products need to adapt their product to the need of the Hong Kong market, including flavour, culture and packaging requirements. For example, package should be in Asian style, with Chinese instructions and product descriptions.

2. There are many forms of health food products including tablets, bead, tea, biscuits, and drinks. We suggest that the Canadian health food exporters to sell their products in food form to Hong Kong. Ms Hui from Cucumber specialty health shops supported that as Hong Kong people consider tablets and pills as drug that give an unpleasant experience. They prefer normal food form which can provide benefits to them.

Promotion

Health food products are different from normal food products in selling and promotion. It is important to gain customers' confidence in their products. Below are cases of promoting health food product in Hong Kong:

1. Using a membership system. Most of the direct selling companies including branded products SQ2, ..., Fancl House) and specialty shops Cucumber health specialty shops, Health Plus, etc., use members to support their sales. They also encourage their members to promote their products to their friends and relatives. Ms Hui of Cucumber specialty health shops said that sending newsletters, organizing health talks and providing special offers to their members were helpful in promoting sales and establish consumers' confidence.

2. Using print media than television advertisement. It was because print advertisements contain more information including product description and users' experience. However, television advertisements are costly and have to be very precise, due to the limited air-time. Therefore, celebrities are mostly used to impress consumers. Moreover, it was found that most consumer prefer

informative advertisement that gives more product information. There was a fallacy in the research as respondents could not recall details of the products they were using but they could easily tell the celebrity presenting the product. Therefore, a combined usage of celebrity with informative advertisement could be more effective in marketing.

3. We suggested that Canadian health food product manufacturers should join together to promote health food products under a national image. As Hong Kong people do not have a full understanding of health food products, it is important to educate the consumers of the benefit of Canadian health food products. The promotion will increase the exposure and awareness of Canadian health food products. More importantly, it can improve the image of Canadian health food products in total.

4. We suggest Canadian health food products to organize more promotions at the retail level to increase awareness of Canadian products.

5. Retailers should be provided with support to allow more after sales service to the customers. It is important in building loyalty to the product. A customer hotline and special offer to loyal customers are useful.

Distribution

We suggest that Canadian health food exporters who have good retail and direct selling experience to establish their own sales outlet in Hong Kong as this is the most effective way of distributing health food products in Hong Kong

Canadian health food exporters can also supply local retail chains; Mannings, Watson's, and HealthPlus, who are specialized in selling health food products.

The representative of Tat Lung Dispensary said that few Canadian health food product agents contact them and so they just continue to input from old agents. He supplemented that the Canadian product manufacturer or agents was not aggressive enough when compared with some U.S. or Japanese companies. Facing this problem, we suggest that Canadian producers reconstruct their sales force. For example, arrange for sales representatives to stay in dispensaries to promote products' features. Moreover, manufacturers can push their local agents to put more effort into contacting

dispensaries or retailers. Most manufacturers employed a pull strategy by an effective promotion scheme. SQ2 shark cap was a good example in Canadian product category. An appropriate advertising scheme can help customers to identify the Canadian product from other brands.

It is also important to establish an aggressive sales team in Hong Kong to promote products to retailers which was considered to be one of the major weakness of Canadian health food distributor in Hong Kong. Appropriate promotion campaign should be adopted to promote product image.

Appendix A

Major Brands Available in Hong Kong Health Food Market

A) Made in U.S.A.

Product Brand Name	Product Category
A-D Cal	Others: calcium
Ca Os-Cal	Others: calcium
One A day	Multi-categories: vitamins, Neutriceuticals
Caltrate	Multi-categories: vitamins, Neutriceuticals
Iberet-500	Vitamins
Revicon forte	Vitamins
Abbott, Clucerna	Others
Abbott, ensure liquid nutrition	Neutriceuticals
Clinial resource	Neutriceuticals
Your Life	Multi-categories: others(calcium), Neutriceuticals
Your life-milk thistle	Multi-categories: herbal, Neutriceuticals
Abbott, Survex-T	Vitamins
Collagen	Neutriceuticals
[illegible]	Neutriceuticals
[illegible]	Neutriceuticals
Bigelous, mintmed ley herbal tea	Multi-categories: herbal, Neutriceuticals
True	Vitamins
Doctor's Choice	Vitamins
Sustaten	Neutriceuticals
Progress	Neutriceuticals
Welch's	Neutriceuticals
Natural Silm	Others
Saporebiriso	Others
Chew	Others
White Knight	Neutriceuticals
Pro-health	Neutriceuticals
Naturally	Others
Dr. Hagiwars's beta carrot	Neutriceuticals
Meadjohnson	Neutriceuticals
Pronature	Herbal-based
Spaliko	Herbal-based
Origin	Neutriceuticals
REmain25	Neutriceuticals
Ultimate Cleanse	Neutriceuticals
Mega Chitosan	Neutriceuticals
I-Care20	Herbal-based

B) Made in Swiss

Product Brand Name	Product Category
Swiss Treasure	Others
Redoxon	Multi-categories: Vitamins, Neutriceuticals
Sandoz	Multi-categories: Calcium, Neutriceuticals
Supradyn	Multi-categories: Vitamins, Neutriceuticals
Callimon	Others
???	Multi-categories: Calcium, Neutriceuticals
Newpolel	Herbal-based
Tinsank	Neutriceuticals
Gensani	Neutriceuticals

C) Made in Canada

Product Brand Name	Product Category
Materna	Multi-categories: vitamins, Neutriceuticals
SQ2 Shark Cap	Neutriceuticals
Natopherol	Vitamins
Unique	Multi-categories: herbal, Neutriceuticals
Car T Cell NF	Neutriceuticals
Shereo	Neutriceuticals
??	Others
??	Multi-categories: Vitamins, Minerals
?????	Herbal based

D) Made in England

Product Brand Name	Product Category
Vykmin	Multi-categories: Vitamins, Neutriceuticals
Perfectil	Multi-categories: vitamins, others (calcium)
Jacksons of Ticcadilly, herbal tea	Herbal
Dr. Stuart's botanical teas	Herbal
Sanatoten	Vitamins
Prosoya---So nice	Neutriceuticals

E) Made in Japan

Product Brand Name	Product Category
Vida Cimin	Others
Squina	Neutriceuticals
Samemilon	Others
ISSHO Genki	Neutriceuticals
Natural health food, shark's fin tablets	Neutriceuticals
Ozone shark	Neutriceuticals
Vita Green Health, Vida- CM	Herbal
Vita Green, Bird's nest natural	Others
Ashiya-beauty	Neutriceuticals
Eagle's	Neutriceuticals
Regina	Neutriceuticals
Kawai Kanyu drop C20	Multi-categories: Vitamins, Neutriceuticals
Bifidus 100	Neutriceuticals
Fancl House	Multi-categories
Enhantea	Herbal-based
Mitsumura	Neutriceuticals
Get slim by Chitosa	Neutriceuticals

F) Made in Australia

Product Brand Name	Product Category
Dr. Ken	Others
Natural's Way	Multi-categories: Herbal, Vitamin, Neutriceuticals
21 ceuntry	Multi-categories: Vitamins, Herbal, Neutriceuticals
Dr. Bo	Neutriceuticals
Natural health redsal	Neutriceuticals
DM3	Others
Naturalcare	Herbal-based
Blackmores	Vitamins
Sunraysia	Neutriceuticals
Goatsilk	Others
? ?	Neutriceuticals
Marine	Neutriceuticals
Bio-Organics	Herbal-based
Herbaltone	Herbal-based
Comvita	Neutriceuticals

G) Others

(Country) Product Brand Name	Product Category
Malaysia	
Cetrients	Vitamins
Flavettes	Vitamins
Singapore	
Bekunns	Others
New Zealand	
Anmum	Neutriceuticals
Anlene	Neutriceuticals
Immuno Colostrum	Herbal-based
China	
???	Neutriceuticals
????? (Taita)	Neutriceuticals
?????	Neutriceuticals
Stay Growing Oil Liquid	Neutriceuticals
Vita-CM	Herbal-based
YuCongRong	Herbal-based
Finland	
Vivida	Others
Germany	
Vita fit, squalene	Neutriceuticals
Hepatofalk Planta	Herbal-based

Appendix B

List of Hong Kong Health Food Retailers, Wholesalers & Manufacturers

Source: Yellow Pages

A. Retailers

Name	Teak Limited
Tel	2366 8987
Address	Hon Kwok Jordan Centre, Tsim Sha Tsui
Name	KAM PO NUTRITIONAL PRODUCTS
Tel	2475 0978
Address	Kingswood Ricaly Plaza, Tin Shui Wai
Name	CH ENTERPRISE CO
Tel	2730 3669
Address	Miramar Tower, Tsim Sha Tsui
Name	Champion Physique Nutrition & Health
Tel	2312 1978
Address	36 Nathan Rd, Tsim Sha Tsui
Name	International Healthy Centre Limited
Tel	2755 9292
Address	Enterprise Square, Kowloon Bay
Name	Nu Pharm Ltd
Tel	2234 5395
Address	Wellborne Coml Centre, North Point
Name	Asia View Ltd
Tel	Tel: 2558 6333
Address	99 Belcher's St, Kennedy Town
Name	Chan Yin Ling
Tel	2503 0378
Address	Marble Gdns, North Point
Name	Creative Workshop
Tel	2882 2692
Address	Capitol Centre, Causeway Bay
Name	Gold Rife Natl Ltd
Tel	2802 2888
Address	Ritz Bldg, Mong Kok
Name	Good Life Nutrition Hse

Tel	2893 1670
Address	Tai Yau Bldg, Wan Chai
Name	Green Concepts Co Ltd
Tel	2882 4848
Address	Prosperous Coml Bldg, Causeway Bay
Name	Health & Beauty Nutrition Centre
Tel	2246 8736
Address	Imperial Ct, Ho Man Tin
Name	Health (Holo Message-Wave) Ltd
Tel	2578 3999
Address	Parkview Centre, North Point
Name	Health Care Shop Limited
Tel	2861 0909
Address	Tai Yau Bldg, Wan Chai
Name	Health Care Zone
Tel	2866 7496
Address	Admiralty Centre, Wan Chai
Name	Health Fortune Ltd
Tel	2520 2008
Address	Queensway Plaza, Wan Chai
Name	Health Gate
Tel	2545 2286
Address	Hung Tak Bldg, Sheung Wan
Name	Healthlink
Tel	2498 1201
Address	Skyline Plaza Shopping Arc, Tsuen Wan
Name	Health Medicare Co Ltd
Tel	2570 0366
Address	Maple Gdns, North Point
Name	Health Paradise Natural Food Co Ltd
Tel	2344 3273
Address	East Sun Ind Centre, Kwun Tong
Name	Health Plus Shop
Tel	2527 1337
Address	Wan Chai
Name	Health Shoppe Ltd

Tel	2882 4040
Address	Eastern Harbour Centre, North Point
Name	Health Way Health Foods Ltd
Tel	2890 2233
Address	Capitol Centre, Causeway Bay
Name	HK & Tiankin Investment Co Ltd
Tel	2605 9860
Address	Shatin Galleria, Sha Tin
Name	Hon Kin Company
Tel	2191 6396
Address	Richmond Coml Bldg, Mong Kok
Name	Hui Ho
Tel	2673 0352
Address	2 Wo Fung St, Fanling
Name	Kei Yuen Vegetarian Sq
Tel	2672 2041
Address	Shek Wu Hui Complex, Sheung Shui
Name	Lik Shing Ho
Tel	2643 2812
Address	Fok On Gdn Coml Complex, Ma On Shan
Name	Link World Nutrition Centre
Tel	2383 9383
Address	Kln City Plaza, Kowloon City
Name	Lux Wholesome Natural Foods Ltd
Tel	2771 7931
Address	Mong Kok
Name	Ma Sin Yi
Tel	2730 2739
Address	Miramar Tower, Tsim Sha Tsui
Name	Micro-Care 21 Global (Holdings) Ltd
Tel	2970 3367
Address	38 Russell St, Wan Chai
Name	Mobius Biogenics
Tel	2771 7999
Address	Oxford Coml Bldg, Yau Ma Tei
Name	Muscle Rising Shop

Tel	2833 5558
Address	Thai Kong Bldg, Wan Chai
Name	Natural Biogenics
Tel	Tel: 2417 0069
Address	Cheong On Bldg Shopping Arc, Tsuen Wan
Name	Natural Life Internatl Ltd
Tel	2322 3363
Address	Wah Hing Ind Mans, San Po Kong
Name	New Image (HK) Ltd
Tel	2730 8827
Address	Kim Tak Bldg, Yau Ma Tei
Name	New Start 100% Natural Food & Drinks
Tel	2887 2728
Address	Garland Hse, North Point
Name	Ng Suk Kwan
Tel	2851 3928
Address	Fook Sing Ct, Sheung Wan
Name	Nicole Healthy Soup
Tel	2718 0021
Address	154 Carpenter Rd, Kowloon City
Name	Nikken Group Internatl Co Ltd
Tel	2311 1716
Address	Eader Centre, Tsim Sha Tsui
Name	Nutri Health Centre
Tel	2550 0000
Address	Siberian Fur Store Bldg, Central District
Name	Perfectway Ltd
Tel	2369 9960
Address	Hody Coml Bldg, Tsim Sha Tsui
Name	Power Haus Fitness Nutrition Centre
Tel	2787 9717
Address	Allied Plaza, Mong Kok
Name	Power Sports Ltd
Tel	2808 1757
Address	Camel Paint Bldg, Kwun Tong
Name	Quantum Healthcare Centre Ltd

Tel	2688 2832
Address	Ritz Plaza, Tsim Sha Tsui
Name	Sheen View Devlpmnt Ltd
Tel	2736 7528
Address	Fu Hang Ind Bldg, Hung Hom
Name	Shuen Sin Kin Kenny
Tel	2637 6366
Address	Tung Chun Coml Centre, Mong Kok
Name	Shui Hing Lung Trdg Co
Tel	2549 1556
Address	Wayson Coml Bldg, Sheung Wan
Name	So Ka Man
Tel	2771 1492
Address	Miramar Tower, Tsim Sha Tsui
Name	Space Cap Health Prod Ltd
Tel	2494 0202
Address	Hertford Mans, Sham Shui Po
Name	Sunrider Internatl (HK) Ltd
Tel	2368 0141
Address	Grand Century Place, Mong Kok
Name	Thai Fu Hong
Tel	2311 3456
Address	Universal Mans, Tsim Sha Tsui
Name	Top Leaf Holdings Ltd
Tel	2832 9693
Address	Podium Plaza, Tsim Sha Tsui
Name	Tree Of Life Calorie Health Food
Tel	2836 0180
Address	Pao Woo Mans, Wan Chai
Name	Truly View Ltd
Tel	2508 9511
Address	Everwin Bldg, North Point
Name	Veggie-House Internatl Co Ltd
Tel	2636 0728
Address	Corporation Park, Sha Tin
Name	Vitalife Internatl Health Prod Co

Tel	2610 0716
Address	Fortune Centre, Causeway Bay
Name	Viva Life Science Ltd
Tel	2736 3821
Address	Lippo Sun Plaza, Tsim Sha Tsui
Name	Wans Health System
Tel	2561 0020
Address	North Point Mans, North Point

B. Wholesalers & Manufacturers

Name	TEAK LIMITED
Tel	2366 8987
Address	Hon Kwok Jordan Centre, Tsim Sha Tsui
Name	21ST CENTURY NUTRITIONAL PRODUCTS LTD
Tel	2814 0025
Address	Hing Wai Centre, Aberdeen
Name	EDEN'S NATURAL SYNERGY (HK) LTD
Tel	2408 2616
Address	Concord Technology Centre, Tsuen Wan
Name	LONG WIND SEA PRODUCT TRADING CO
Tel	2518 4572
Address	46 Ap Lei Chau Main St, Ap Lei Chau
Name	CyberSweet International Ltd
Tel	2915 2998
Address	Nan Fung Centre, Tsuen Wan
Name	Green Power Health Products International Co Ltd
Tel	2516 5008
Address	Argyle Centre, Mong Kok
Name	Health Joy & Beauty Prod Co
Tel	2375 2975
Address	11A Bowring St, Yau Ma Tei
Name	GREEN LIFE (NEW ZEALAND) PRODUCTION CO
Tel	2562 2335
Address	Technology Plaza, North Point
Name	HOLY TRADING CO LTD
Tel	2851 2388
Address	Kai Fat Bldg, Sheung Wan

Appendix B

Name	International Healthy Centre Limited
Tel	2755 9292
Address	Enterprise Sq, Kowloon Bay
Name	Po On Trading Co
Tel	2652 6778
Address	Advanced Technology Centre, Sheung Shui
Name	Semo Hong Kong Ltd
Tel	2369 2503
Address	China Ins Bldg, Tsim Sha Tsui
Name	Tobishi (HK) Co Ltd
Tel	2802 3986
Address	Office Tower Convention Plaze, Wan Chai
Name	(Om-X) Marketing (HK) Ltd
Tel	2730 0666
Address	83 Austin Rd, Yau Ma Tei
Name	A I Privilege Club
Tel	2877 9833
Address	8 North Point Rd, North Point
Name	Atlantis Corp Ltd
Tel	2780 1069
Address	Ginza Sq, Yau Ma Tei
Name	Australia Aloe Vera HK Ltd
Tel	2818 0121
Address	Nice Gdn, Kennedy Town
Name	B & B 95 Internatl Ltd
Tel	8100 1422
Address	Workingbond Coml Centre, Mong Kok
Name	Barbara Co
Tel	2794 1999
Address	43 La Salle Rd, Kowloon Tong
Name	Beauticontrol HK Inc
Tel	2824 8870
Address	Shui On Centre, Wan Chai
Name	Body Treasure Internatl Ltd
Tel	2465 9828
Address	Delya Ind Centre, Tuen Mun

Appendix B

Name	Brain Luck Devlpmnt Ltd
Tel	2493 2686
Address	Hi-Tech Ind Centre, Tsuen Wan
Name	Canited Internatl Ltd
Tel	2815 3292
Address	Shun Tak Centre, Sheung Wan
Name	Caring Internatl (HK) Ltd
Tel	2661 1900
Address	168 Sai Yeung Choi St, Mong Kok
Name	C B P World (HK) Co Ltd
Tel	2375 2255
Address	Lippo Centre Tower One, Queensway
Name	C C Bovans International Ltd
Tel	2543 2298
Address	Lladro Centre, Kwun Tong
Name	Cents Co Ltd
Tel	2648 4138
Address	Technology Park, Sha Tin
Name	Cerebos Pac Ltd
Tel	2506 1262
Address	Times Sq, Causeway Bay
Name	Challenge Co
Tel	2605 7279
Address	19 South Lane, Shek Tong Tsui
Name	Cheer Trade Ltd
Tel	2375 6484
Address	Wealth Coml Centre, Mong Kok
Name	Chow Kin Lam
Tel	2793 9818
Address	Hip Kwan Coml Bldg, Yau Ma Tei
Name	Chung May Food (HK) Ltd
Tel	2710 9782
Address	Kwong Yuen Bldg, Mong Kok
Name	Citic-Wing Nam Natural Health Prods Ltd
Tel	2739 6898
Address	Winston Mans, Tsim Sha Tsui

Appendix B

Name	Comfort Internatl Ltd
Tel	2782 6237
Address	New East Ocean Centre, Tsim Sha Tsui East
Name	Concorde Realty Group Ltd
Tel	2687 0319
Address	Shatin Galleria, Sha Tin
Name	Crystal Vegetarians Hse
Tel	2802 6679
Address	Swanhill Mans, North Point
Name	D'Natural HK Ltd
Tel	2780 0301
Address	Dragon Glory Mans, Wong Tai Sin
Name	Doctor Bee Health Food Co Ltd
Tel	2813 9662
Address	Cheong Shing Mans, North Point
Name	Doneasy Ltd
Tel	2811 0131
Address	Yuen Shing Ind Bldg, Cheung Sha Wan
Name	Double-T Trdg Co
Tel	2385 2779
Address	Siu Fung Bldg, Yau Ma Tei
Name	DXN Internatl (HK) Ltd
Tel	2388 6583
Address	Hollywood Plaza, Mong Kok
Name	Dynasty Healthy Prod Centre Ltd
Tel	2722 4822
Address	Winner Fty Bldg, Kwun Tong
Name	Dynasty Healthy Prods Centre
Tel	2312 7778
Address	Pioneer Centre, Mong Kok
Name	Elements
Tel	2544 3777
Address	CNT Coml Bldg, Sheung Wan
Name	Extra Excel Internatl Ltd
Tel	2940 6699
Address	City Landmark, Tsuen Wan

Name	Fairlong Ltd
Tel	2577 2938
Address	48 Yun Ping Rd, Causeway Bay
Name	Fan Suk Fan
Tel	2783 9996
Address	Miramar Tower, Tsim Sha Tsui
Name	Fine Genius Devlpmnt Ltd
Tel	2573 4697
Address	Perfect Coml Bldg, Wan Chai
Name	Forever Living Prods Asia Ltd
Tel	2369 9638
Address	Empire Centre, Tsim Sha Tsui East
Name	Fourseas Trdg Co
Tel	2512 0679
Address	Johnston Apts, Wan Chai
Name	Fuji Internatl H L S Co Ltd
Tel	2815 0701
Address	Wing Shan Tower, Sheung Wan
Name	G & T HK Ltd
Tel	2919 5315
Address	East Point Centre, Wan Chai
Name	Genwealth Ltd
Tel	2370 8202
Address	Apple Mall, Causeway Bay
Name	Germanium (HK) Co Ltd
Tel	2721 2188
Address	Universal Coml Bldg, Tsim Sha Tsui
Name	Giant Explorer Ltd
Tel	2739 6690
Address	Leader Coml Bldg, Tsim Sha Tsui
Name	Global Kanpo (HK) Ltd
Tel	2730 2221
Address	Silvercord, Tsim Sha Tsui
Name	Global Tack Ltd
Tel	2267 7168
Address	New Trend Centre, San Po Kong

Name	Good Lise Nutrition Hse
Tel	2388 5278
Address	21 Waterloo Rd, Yau Ma Tei
Name	Grand Creation Technology Limited
Tel	2301 2738
Address	Mangan Bldg, Tsim Sha Tsui
Name	Green Essence Ltd
Tel	2525 8917
Address	Manning Hse, Central District
Name	H & B Club Internatl Ltd
Tel	2422 8336
Address	Dundas Sq, Mong Kok
Name	Health Circle (HK) Ltd
Tel	2770 4908
Address	Nathan Tower, Yau Ma Tei
Name	Health Circle Group Ltd
Tel	2782 3193
Address	Nathan Tower, Yau Ma Tei
Name	Health Food Enterprise Ltd
Tel	2544 4822
Address	The Center, Central District
Name	Health Gate
Tel	2545 2286
Address	Hung Tak Bldg, Sheung Wan
Name	Health Guard (F E) Ltd
Tel	2836 3662
Address	Prime Mans, Wan Chai
Name	Healthy Green Co
Tel	2311 0180
Address	Winning Coml Bldg, Tsim Sha Tsui
Name	Healthy Ocean Ltd
Tel	2409 0996
Address	Workingbond Coml Centre, Mong Kok
Name	Herbalife International Of HK Ltd
Tel	2737 8688
Address	Miramar Shopping Centre, Tsim Sha Tsui

Name	Herb Rd Co
Tel	2851 0170
Address	139 Wing Lok St, Sheung Wan
Name	High Desert (HK) Ltd
Tel	2893 3631
Address	World Wide Hse, Central District
Name	Hing Tong Enterprises Co
Tel	2540 4602
Address	Ming Pao Ind Centre, Chai Wan
Name	Honfair Asia Trdg Ltd
Tel	2492 0698
Address	Hermes Coml Centre, Tsim Sha Tsui
Name	Hon Kin Co
Tel	2191 6396
Address	Richmond Coml Bldg, Mong Kok
Name	J & S Co
Tel	2487 7855
Address	Prosperity Centre, Mong Kok
Name	J & S Health Prods Ltd
Tel	2637 8329
Address	New Commerce Centre, Sha Tin
Name	Janus Trading Co Ltd
Tel	2890 7265
Address	Camel Paint Bldg, Kwun Tong
Name	K & T Health Prods Ltd
Tel	2469 8038
Address	Lai Po Shopping Centre, Tuen Mun
Name	Kai Wah Internatl Ltd
Tel	2580 1560
Address	Gee Chang Hong Centre, Wong Chuk Hang
Name	Kind Day Enterprises Ltd
Tel	2771 6630
Address	Tai Shing Coml (Yaumati) Bldg, Yau Ma Tei
Name	Kin Fung (Kwong Kee) Ltd
Tel	2815 8638
Address	Kai Wong Coml Bldg, Sheung Wan

Name	Ko Tak Trdg Medicine Co
Tel	2756 0446
Address	Sino Ind Plaza, Kowloon Bay
Name	Kwong Lee Bio Prod Co Ltd
Tel	2570 6192
Address	Maximall City Gdn, North Point
Name	Lau Yuk Wah
Tel	2377 2857
Address	Miramar Tower, Tsim Sha Tsui
Name	Lee Kit Ying Louisa
Tel	2730 6003
Address	Miramar Tower, Tsim Sha Tsui
Name	Lee On Internatl Trdg Co
Tel	2748 6548
Address	Global Trade Centre, Kwai Chung
Name	Life Nutrition International Ltd
Tel	2815 9899
Address	Joyful Villas, Kwun Tong
Name	Linklands Trdg Co
Tel	2380 5888
Address	123 Tung Chau St, Tai Kok Tsui
Name	Lipmann Health Prods (HK) Ltd
Tel	2554 8383
Address	Thomson Coml Bldg, Wan Chai
Name	Lucky Link Internatl (HK) Ltd
Tel	2191 2181
Address	Wong Tze Bldg, Kwun Tong
Name	Luisiana Internatl Ltd
Tel	2558 5228
Address	Cheung Tat Centre, Chai Wan
Name	Mak Siu King
Tel	2388 0902
Address	Miramar Tower, Tsim Sha Tsui
Name	Marco Polo Group
Tel	2381 4422
Address	Chung Chai Yuen, Tai Po

Appendix B

Name	Medosan Health Co Ltd
Tel	2803 5176
Address	Tak Lee Coml Bldg, Wan Chai
Name	Miracle Health & Herb Prods Ltd
Tel	2959 2777
Address	Trendy Warehse, Lai Chi Kok
Name	Mitsumura (HK) Ltd
Tel	3122 3122
Address	Gateway, Tsim Sha Tsui
Name	Motion Plus Ltd
Tel	2332 7218
Address	Cheong Yuen Bldg, Sham Shui Po
Name	Multisales (HK) Ltd
Tel	2332 1292
Address	Park-In Coml Centre, Yau Ma Tei
Name	Natural Germanium Health Prods Ltd
Tel	2722 6810
Address	Universal Coml Bldg, Tsim Sha Tsui
Name	Natural Source Co
Tel	2388 8004
Address	Kwangtung Provincial Bank Bldg, Mong Kok
Name	Nature Healthy Food Hse
Tel	2665 2280
Address	Tai Wing Hse, Tai Po
Name	Ng Lai Yan
Tel	2730 9283
Address	Miramar Tower, Tsim Sha Tsui
Name	Nu Life Internatl Ltd
Tel	2397 3993
Address	113 Argyle St, Ho Man Tin
Name	Pan Seas Holdings Ltd
Tel	2543 9800
Address	Tung Ning Bldg, Sheung Wan
Name	Pharmacare
Tel	2385 2498
Address	Multifield Centre, Mong Kok

Appendix B

Name	Pointway Ltd
Tel	2423 2143
Address	Southmark, Wong Chuk Hang
Name	Power Sports Limited
Tel	2808 1757
Address	Camel Paint Bldg, Kwun Tong
Name	Prime Devlpmnt Holdings Co Ltd
Tel	2838 8656
Address	496 Jaffe Rd, Wan Chai
Name	Royal Bee Ltd
Tel	2997 6433
Address	Coml Complex Whampoa Gdn, Hung Hom
Name	Shape Patch (HK) Ltd
Tel	2552 0064
Address	Righteous Centre, Mong Kok
Name	Star International Ltd
Tel	2770 0799
Address	Nathan Coml Bldg, Yau Ma Tei
Name	Step Beyond Internatl
Tel	2381 4500
Address	Hanley Hse, Mong Kok
Name	Tat Shing Co
Tel	2478 5154
Address	Yuen Long Trade Centre, Yuen Long
Name	Texas (HK) Ltd
Tel	2815 0979
Address	Hillier Coml Bldg, Sheung Wan
Name	Thai Fu Hong
Tel	2311 3456
Address	Universal Mans, Tsim Sha Tsui
Name	Thico Ltd
Tel	2832 2179
Address	East Point Centre, Wan Chai
Name	Tianshi Internatl Devlpmnt Ltd
Tel	2191 9396
Address	Silvercord, Tsim Sha Tsui

Name	Tick Shing Hong Ind Co Ltd
Tel	2578 3721
Address	Cornell Centre, Chai Wan
Name	T J Internatl Ltd
Tel	2758 8801
Address	Hermes Coml Centre, Tsim Sha Tsui
Name	TNI Internatl (HK) Ltd
Tel	2577 2818
Address	Hua Chiao Coml Centre, Mong Kok
Name	Total Health Ltd
Tel	2929 4343
Address	Eastern Harbour Centre, North Point
Name	TSK (HK) Development Co Ltd
Tel	2758 7115
Address	Multifield Plaza, Tsim Sha Tsui
Name	Union Health Prods Ltd
Tel	2336 1628
Address	Tak Fung Ind Centre, Tsuen Wan
Name	Very Nice Holdings Ltd
Tel	2415 7612
Address	Po Yip Bldg, Tsuen Wan
Name	Viloon Co Ltd
Tel	2521 7710
Address	1 Pedder St, Central District
Name	Vita Green Health Prods Co Ltd
Tel	2521 6567
Address	Manning Hse, Central District
Name	Way Tai Trdg Co
Tel	2690 1901
Address	Wah Lok Ind Centre, Sha Tin
Name	Wealthy Holdings Co Ltd
Tel	2565 7586
Address	Camel Paint Bldg, Kwun Tong
Name	Well-Link (F E) Co
Tel	2771 9798
Address	Heng Yuet Hse, Ma On Shan

Appendix B

Name	Wing Yue (HK) Trdg Co Ltd
Tel	2405 2899
Address	Mega Trade Centre, Tsuen Wan
Name	Wong Wai Tung
Tel	2614 3648
Address	Profit Ind Bldg, Kwai Chung
Name	Worldtech Internatl Ltd
Tel	2343 7570
Address	Camel Paint Bldg, Kwun Tong
Name	Wu Yue Ltd
Tel	2773 6088
Address	Workingfield Coml Bldg, Wan Chai
Name	YGP Co Ltd
Tel	2424 2688
Address	Hoover Ind Bldg, Kwai Chung

Appendix C

Questionnaire - English Version

Dear Sir/Madam,

We are business students of Lingnan University. On behalf of the Consulate General of Canada, we are conducting a survey on the market situation of Health Food Product (including herbal, vitamin and Neutriceuticals). We would be grateful if you could answer the following questions. All the information is kept confidential.

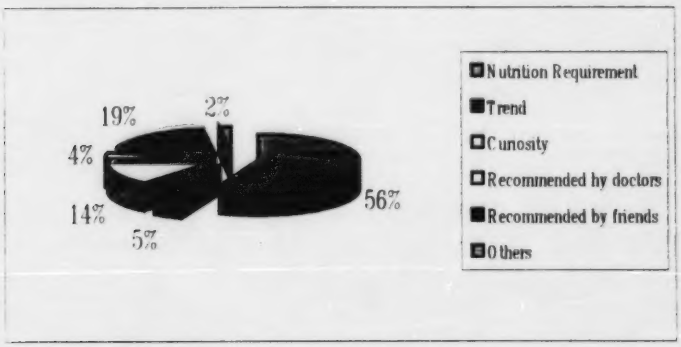
Part I – General information

1. Your reason(s) for using health food products is/are:

❑ Nutrition Requirement ❑ Trend ❑ Curiosity

❑ Recommended by doctor ❑ Recommended by friends

❑ Others, _____

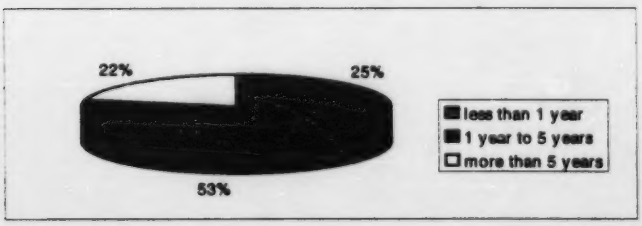


2. When did you start to buy health food products?

❑ Less than 1 year

❑ Between 1 and 5 years

❑ More than 5 years



3. Can you name some brands of health food products? (No hints)
   Opening Question

4. Which of following brands have you ever know?
   (You may see from the table attached and choose the brand more than one)

Herbal-Based product

1. Fancl House 51%	8. ????? 20%	15.Herbaltone 5%
2. ProNature 44.5%	9. Bio-Organics 15%	16.Neuromins 4%
3. Vita-CM 34%	10.Dr. Hagiwara's 12%	17.Spaliko 0%
4.??? 30%	11.I-Carezo 11%	
5. Vita Green 28%	12.Hepatofalk Planta 10%	
6. Green Essence 25%	13.YuCongRong 10%	
7. Unique 22%	14.Enhantea 8%	

Vitamins

1. Ca-C1000 Sandez 55%	3.Redoxon 45%	Nature's Blend 30%
2.Doctor's Choice 49.5%	4.Centum 40%	

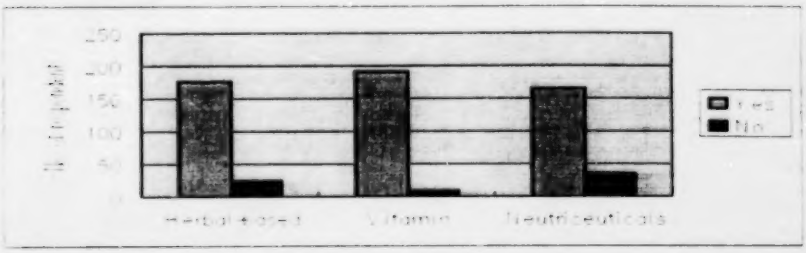
Neutriceuticals

1.SQ2 Shark Cap 77.5%	6. ????? 25%	11.One A day 5%
2. Fancl House 50%	7. Regina 21%	12.Healhways 4%
3.??? DHA??? 35%	8.????? 19%	13.Comvita 0%
4.Vita Green (bird's nest) 30%	9.Issho Genki 15%	14.Remain25 0%
5.DM3 28%	10.????? 12%	

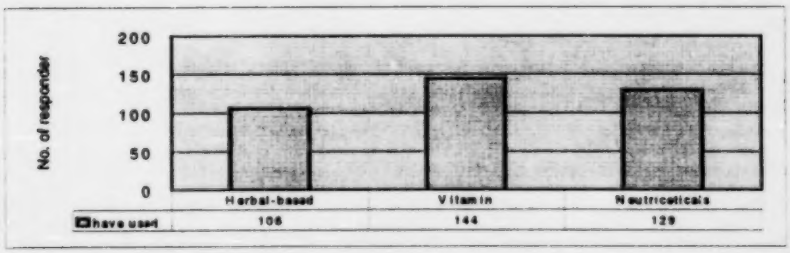
Others

1.????? 80%	6.Mega Chitosan 35%	11.Marine Health Products 5%
2.Imedeen 49%	7. Immuno Colostrum 31%	12.Mincifit 0%
3.Car T Cell NF 45%	8.??? 29%	13.Ashiyaroyal 0%
4.Bifidust 44%	9.Rifidus 100 25%	
5.Mitsumura 40%	10.Get SlimbyChitosa 12%	

5. Have you ever heard the following types of health food products? (you may take more than one option)
   - ❑ Herbs
   - ❑ Vitamins
   - ❑ Nentriceuticals



6. Have you ever used the following types of health food products? (you may take more than one option)
   - ❑ Herbs
   - ❑ Vitamins
   - ❑ Neutriceuticals



Part II – Factors of purchasing health food products

7. Please rank the importance of following factors of purchasing when you buy health food products.
   (1 is the most important, 7 is the most unimportant)
   - ___ Price
   - ___ Side effect
   - ___ Products Effectiveness
   - ___ Country of origin
   - ___ Convenience of usage procedure
   - ___ Package
   - ___ Promotion

Appendix C

	Ranking
Product Effectiveness	1
Side Effect	2
Price	3
Country of Origin	4
C[illegible]nient Usage	5
Pr[illegible]ion	6
Package	7

8. What is the extent of effectiveness for each following promotion tactics

	The lowest extent						The highest extent
Informative	1	2	3	4	5	6	7
Celebrity	1	2	3	4	5	6	7
User	1	2	3	4	5	6	7
Testimonial	1	2	3	4	5	6	7

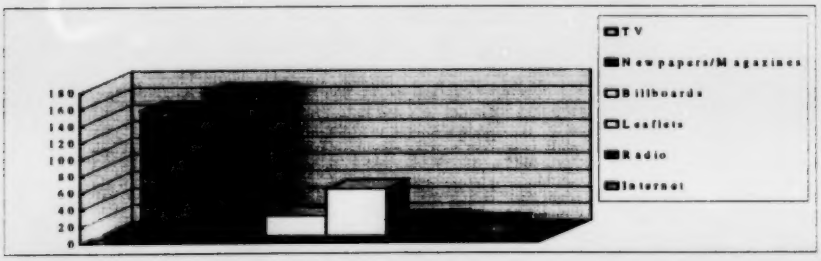
Advertisement appeals	**Means of degree of agreement** *(1 - strongly disagree, 7 - strongly agree)**
Informative	5.025
Celebrity	2.170
User	4.755
Testimonial	4.830

9. Which of following media do you contact the health food product mostly from? (you may take more than one option)

❑ TV ❑ Magazines ❑ Billboard

❑ Leaflet ❑ Radio ❑ Internet

❑ Others, _____



10. Please indicate your degree of agreement to following description of health food products:

	Strongly disagree						Strongly agree
Buy more than there is discount	1	2	3	4	5	6	7
Higher price implies higher quality the product is	1	2	3	4	5	6	7
Better image of the company do encourage you to buy that brand	1	2	3	4	5	6	7
You would buy more through membership systems because of it discount provided	1	2	3	4	5	6	7

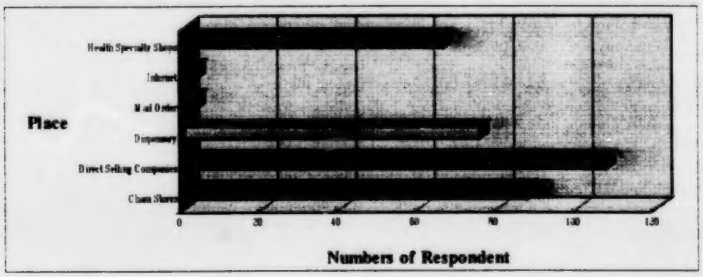
Statement of Situations	**Means of degree of agreement** *(1 - strongly disagree, 7 - strongly agree)* *
Buy more when discount provided	3.770
Higher price means higher quality	3.800
Better company image stimulate higher buying intention	4.945
Buy more through membership as it provides discount	3.790

11. Where do you buy the health food product?

❑ Chain-store ❑ Direct marketer ❑ Dispensary

❑ Mail order ❑ Internet ❑ Specialty store

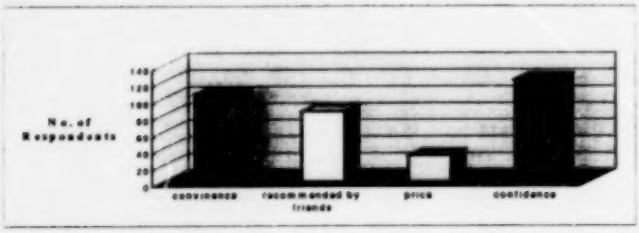
❑ Others, _____



12. Why do you buy health food product there? (you may take more than one option)

❑ Convenient ❑ Recommended by friends ❑ Lower price

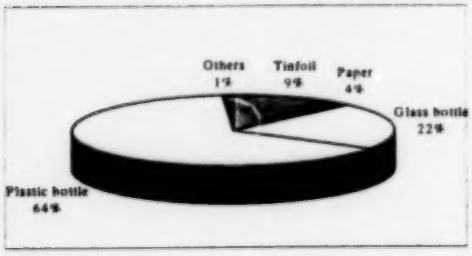
❑ Safer/confidence guarantee ❑ Others, _____



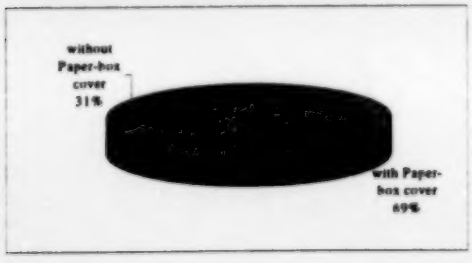
13. What is the package of health food product you bought usually?

Package	Box (if appropriate)	Color of the bottle (if appropriate)	Volume (if appropriate)
❑ Tin-paper package ❑ Paper package ❑ Glass bottle package ❑ Plastic bottle package ❑ Others, _____	❑ With box ❑ Without box	❑ Brown ❑ Transparent ❑ Others, _____	❑ Below100 units ❑ 100 units ❑ Between 100 and 200 units ❑ 200 units ❑ Above 200 units

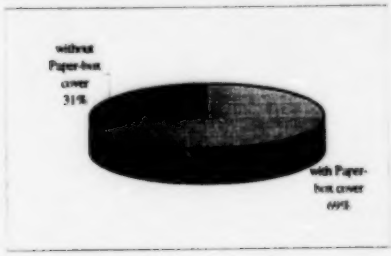
Types of Container in Current Market



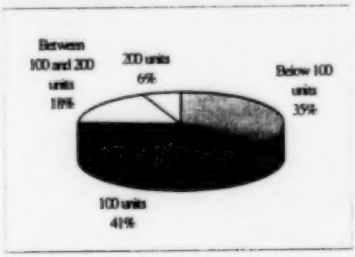
Paper-box- Package in Current Market



Color of Containers (bottle) in Current Market



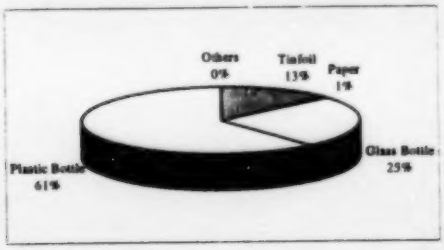
Volume of Products in Current Market



14. What is your preference of package?

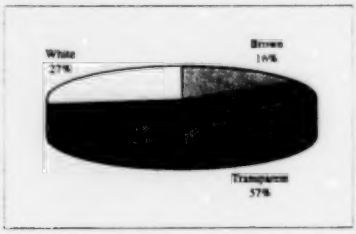
Package	Box (if appropriate)	Color of the bottle (if appropriate)	Volume (if appropriate)
❑ Tin-paper package ❑ Paper package ❑ Glass bottle package ❑ Plastic bottle package ❑ Others, _____	❑ With box ❑ Without box	❑ Brown ❑ Transparent ❑ Others, _____	❑ Below100 units ❑ 100 units ❑ Between 100 and 200 units ❑ 200 units ❑Above 200 units

Consumers Preference of Container

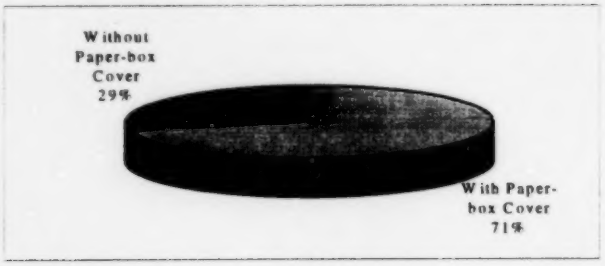


Appendix C

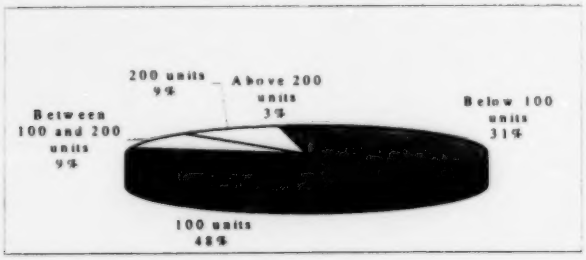
Consumers Preference for Color of Containers (bottle)



Consumers Preference for Paper-box Packages



Consumer Preference for Volume of Products



15. Have you followed the instruction of finish a bottle/box of health food products?

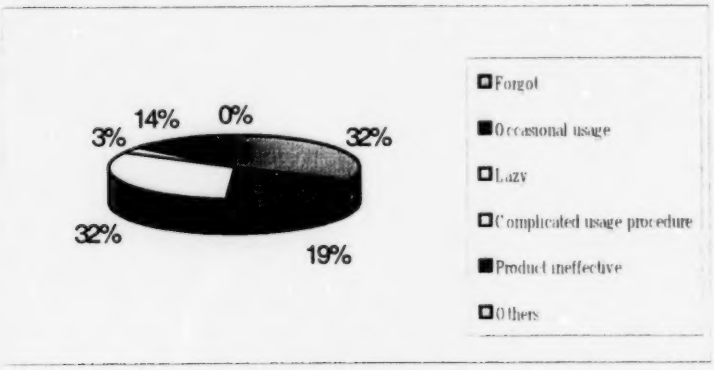
❑ Yes (go to question 17) ❑ No

16. What reasons for you not to follow the instruction?

❑ Forget ❑ Occasional use ❑ Lazy

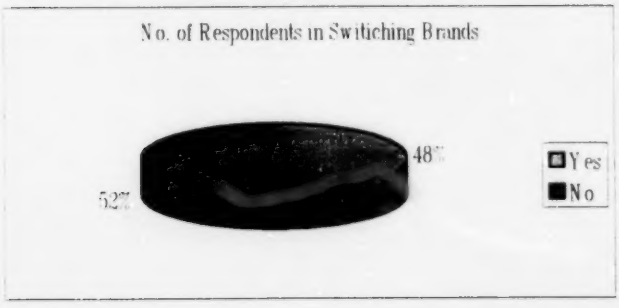
❑ The usage procedure is complex ❑ Product ineffectiveness

❑ Others, _____



17. Have you switched to other brands?

❑ Yes ❑ No (go to question 19)

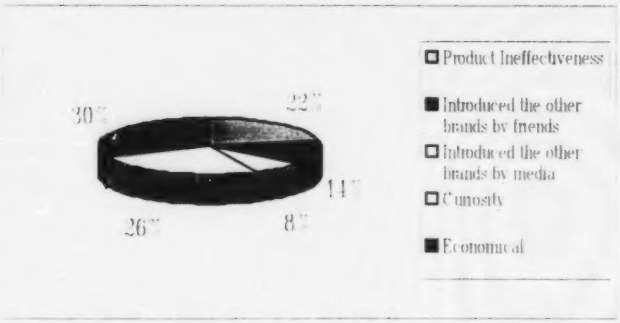


18. The reasons for switching to other brands is/are:

❑ The original product is inefficient ❑ Recommended by friends

❑ Affected by other media ❑ Curiosity

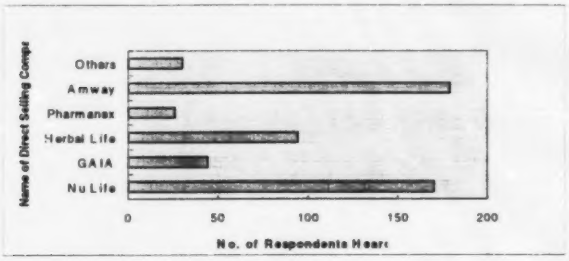
❑ Other brand is cheaper ❑ Others, _____



19. Have you ever heard about the following direct marketers? (you may take more than one option)

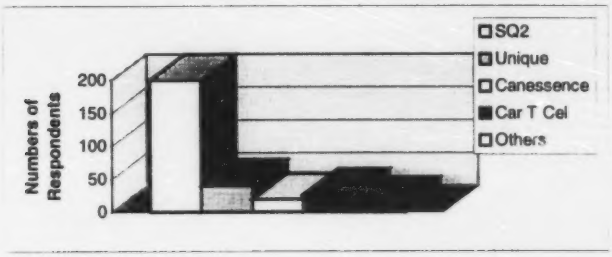
❑ Nulife ❑ GAIA International (HK) Ltd. ❑ Herbal Life

❑ Pharmanex ❑ Amway ❑ Others, _____

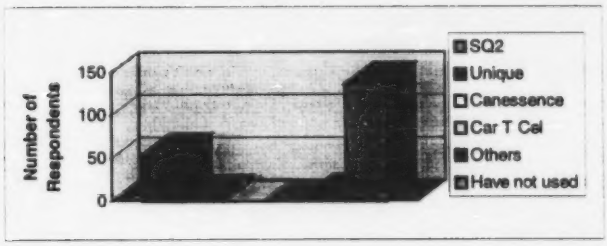


Part III –Knowledge of Canadian Health Food Products

20. Have you ever heard the following Canadian brands of health food products? (you may take more than one brand)
    - ❑ SQ2 sharkcap.
    - ❑ Unique
    - ❑ Canessence
    - ❑ Car T Cell NF
    - ❑ Others, _____



21. Have you ever used the following Canadian brands of health food products? (you may take more than one brand)
    - ❑ SQ2 sharkcap.
    - ❑ Unique
    - ❑ Canessence
    - ❑ Car T Cell NF
    - ❑ Others, _____



22. Do you agree the following comments to health food products produced by different countries?

    Note: if you have not used certain country's products, you just answer it according to your impression.

    (5 is strongly agree, 1 is strongly disagree, N is no comment)

Appendix C

U.S. brands: Ultimate Cleanse, ProNature (Eu Yan Sang), Nature's Blend, Centrum

Japanese brands: Fancl House, Vita Green, Mitsumura

Canadian brands: SQ2 sharkcap., Unique, Canessence

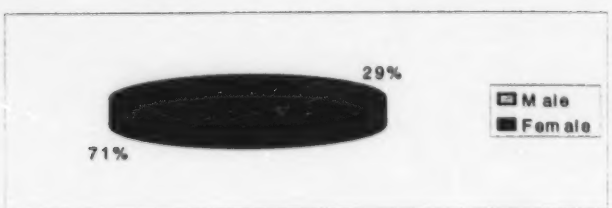
Australian brands: I-Care20, Comvita, Immuno Colostrum

	U.S.A.	Japan	Canada	Australia
Reasonable price	1 2 3 4 5 N	1 2 3 4 5 N	1 2 3 4 5 N	1 2 3 4 5 N
Efficient	1 2 3 4 5 N	1 2 3 4 5 N	1 2 3 4 5 N	1 2 3 4 5 N
More side effect	1 2 3 4 5 N	1 2 3 4 5 N	1 2 3 4 5 N	1 2 3 4 5 N
Confidence guarantee	1 2 3 4 5 N	1 2 3 4 5 N	1 2 3 4 5 N	1 2 3 4 5 N
Her brands are more superior	1 2 3 4 5 N	1 2 3 4 5 N	1 2 3 4 5 N	1 2 3 4 5 N
More popular	1 2 3 4 5 N	1 2 3 4 5 N	1 2 3 4 5 N	1 2 3 4 5 N
Main health food product development country	1 2 3 4 5 N	1 2 3 4 5 N	1 2 3 4 5 N	1 2 3 4 5 N

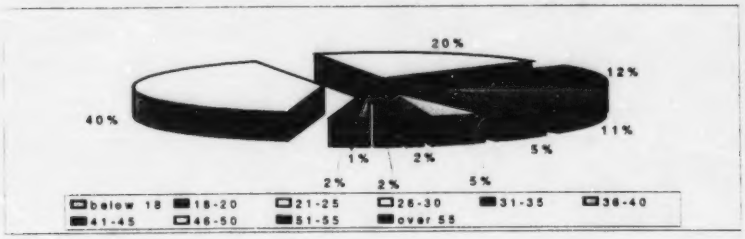
	Effectiveness	Side Effect	Price	Confidence
U.S.A.	**3.740**	**4.040**	**3.670**	3.795
Australia	3.500	3.825	3.430	3.495
Canada	3.520	3.780	3.350	3.575
Japan	3.555	3.905	3.250	**4.015**

Part IV – Personal Information

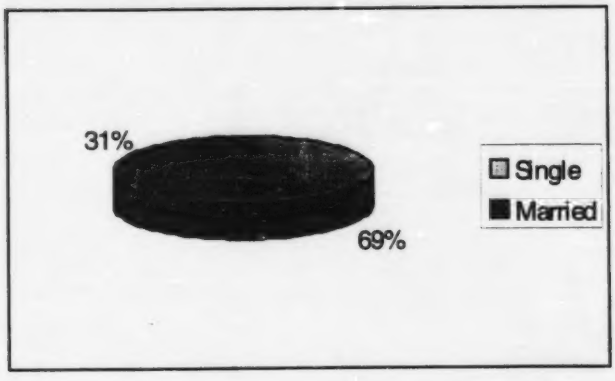
23. Sex: ❑ Male ❑ Female



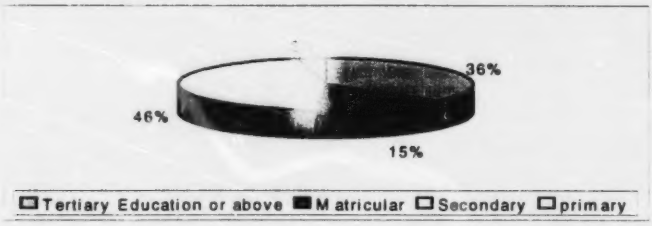
24. Age: ❑ below 18 ❑ 18-20 ❑ 21-25 ❑ 26-30
❑ 31-35 ❑ 36-40 ❑ 41-45 ❑ 46-50
❑ 51-55 ❑ 56-60 ❑ above 60



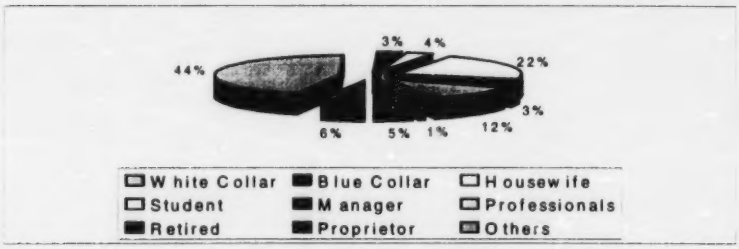
25. Marital Status: ❑ Married ❑ Single



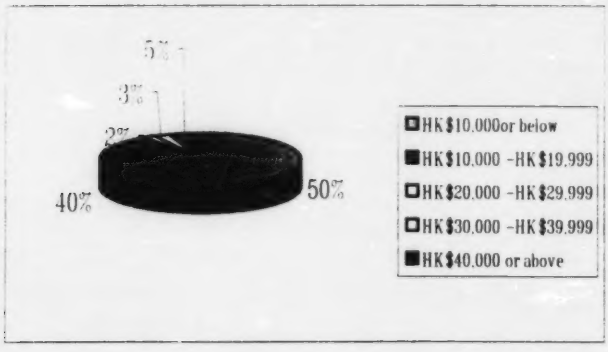
26. Educational Level: ❑ Tertiary education or above ❑ Matriculation
❑ Secondary education ❑ Primary education or below



27. Occupation: ❑ White-collar ❑ Blue-collar ❑ Household
❑ Student ❑ Manager ❑ Professional
❑ Retired ❑ Proprietor ❑ Others, _____



28. Monthly income: ❑ HK$10,000 or below
❑ HK$10,000 – HK$19,999
❑ HK$20,000 – HK$29,999
❑ HK$30,000 – HK$39,999
❑ HK$40,000 or above



End

Thank you

A Herbal – Based

1 Fancl House 2 ??? 3 Spaliko 4 Vita Green

5 Dr. Hagiwara's 6 Vita-CM 7 ????? 8 Unique

9 Hepatofalk Planta 10 Bio-Organics 11 I-Carezo 12 ProNature

13 YuCongRong 14 Enhantea 15Herbaltone 16 Neuromins

17 Green Essence

B Vitamins

1 Doctor's Choice 2 Ca-C 1000 Sandez 3 Centum 4 ??C

5 Nature's Blend

C Neutriceuticals

1 Fancl House 2 SQ2 Shark Cap 3 ???DHA???

4 Remain25 5 Regina 6 Issho Genki 7 Comvita

8 Vita Green (bird's nest) 9 ????? 10 ?????

11 ???? 12 Healhways 13 One A day 14 DM3

D Others

1 ????? 2 Bifidust 3 Mitsumura 4 Rifidus 100

5 Imedeen 6 ??? 7 Marine Health Products

8 Get Slimby Chitosa 9 Mega Chitosan 10 Ashiyaroyal

11 Mincifit 12 Car T Cell NF 13 Immuno Colostrum

Appendix D

Questionnaire - Chinese Version

??,??/??,
??????????????,　　??????????????,
??????????????????,　　??????????????,
???????????? ???????????,???????????
????

????~????

1. ??????????:
   ❑????????????　❑??　　❑??
   ❑????　　❑????　　❑?? _____

2. ?????????????
   ❑????
   ❑????
   ❑????

3. ???????,?????????
   _____

4. ???????????(??,??????)
   _____

5. ?????????,????????(???????????)
   ❑??　(????,??,???,???)
   ❑???
   ❑?????? (????,????,???,??)

6. ??????????????????(???????????)
   ❑??　(????,??,???,??)
   ❑???
   ❑?????? (????,????,???,??)

???? - ???????

7. ???????, ??????????????????
   (????, 1????, 7??????)
   _ ??
   _ ?????
   _ ????
   _ ??
   _ ??????????
   _ ??
   _ ??

8. ??????????????????????????

	????					????	
???	1	2	3	4	5	6	7
????	1	2	3	4	5	6	7
????	1	2	3	4	5	6	7
????	1	2	3	4	5	6	7

9. ??????????????? (??????????)
   ❑?? ❑?? ❑???????
   ❑?? ❑?????? ❑???
   ❑?? _____

10. ???????????????????:

	????					???	
????????	1	2	3	4	5	6	7
??????? ??????	1	2	3	4	5	6	7
????????? ?????????	1	2	3	4	5	6	7
??????? ???????	1	2	3	4	5	6	7

11. ????????????? (??????????)
   ❑??? ❑??? ❑?? ❑?? ❑???
   ❑??????? ❑??._____

12. ????????????: (??????????)
   ❑?? ❑???? ❑?? ❑??/?????

❑??_____

13. ?????????????:

??	??(???)	????(???)	??(???)
❑???			❑100??
❑???	❑???	❑??	❑100?
❑????	❑????	❑??	❑100? – 200?
❑???		❑??:_____	❑200?
❑??_____			❑200??

14. ?????????????:

??	??(???)	????(???)	??(???)
❑???			❑100??
❑???	❑???	❑??	❑100?
❑????	❑????	❑??	❑100? – 200?
❑???		❑??:_____	❑200?
❑??_____			❑200??

15. ??????????????????????/?????

❑?(????17?) ❑??

16. ???????????????????

❑?? ❑???????? ❑??

❑??????? ❑??????

❑??_____

17. ???????????????????

❑? ❑?? (????19?)

18. ???????????????:

❑??????????? ❑????

❑??????? ❑?????

❑?????????? ❑??_____

19. ??????,????????????????????(??????????)

❑ Nulife ❑????(??)????

❑ Herbal Life ❑ Pharmanex

❑ Amway ❑??_____

???? ~ ???????????

20. ??????????,?????????(??????)

- ❑ SQ2???
- ❑ ??? (Unique)
- ❑ ?????
- ❑ ?????????? (Car T Cell NF)
- ❑ ?? _____

21. ??????????, ?????????(??????)
- ❑ SQ2???
- ❑ ??? (Unique)
- ❑ ?????
- ❑ ?????????? (Car T Cell NF)
- ❑ ?? _____
- ❑ ????

22. ????????????????????
(5??????, 1???????, N??????)

??????????, ???(???), ??
??????????, ????, ???
?????????SQ2???, ??? (Unique), ?????
??????????, ???????, ???

	??	??	???	??
????	1 2 3 4 5 N	1 2 3 4 5 N	1 2 3 4 5 N	1 2 3 4 5 N
???	1 2 3 4 5 N	1 2 3 4 5 N	1 2 3 4 5 N	1 2 3 4 5 N
????	1 2 3 4 5 N	1 2 3 4 5 N	1 2 3 4 5 N	1 2 3 4 5 N
?????	1 2 3 4 5 N	1 2 3 4 5 N	1 2 3 4 5 N	1 2 3 4 5 N
??????? ???	1 2 3 4 5 N	1 2 3 4 5 N	1 2 3 4 5 N	1 2 3 4 5 N
?????	1 2 3 4 5 N	1 2 3 4 5 N	1 2 3 4 5 N	1 2 3 4 5 N
??????? ??????? ???	1 2 3 4 5 N	1 2 3 4 5 N	1 2 3 4 5 N	1 2 3 4 5 N

???? ~ ???????

23. ??: ❑? ❑?

24. ??: ❑ 18?? ❑ 18-20 ❑ 21-25 ❑ 26-30

❑ 31-35 ❑ 36-40 ❑ 41-45 ❑ 46-50
❑ 51-55 ❑ 56-60 ❑ 60??

25. ????: ❑ ?? ❑ ??

26. ????: ❑??????? ❑???? ❑????
❑???????

27. ??: ❑?? ❑?? ❑????
❑?????? ❑?? ❑????
❑?? ❑????
❑?? _____

28. ????: ❑ HK$10,000?? ❑HK$10,000 – HK$19,999
❑HK$20,000 – HK$29,999 ❑HK$30,000 – HK$39,999
❑ HK$40,000??

??????

??

Appendix E

Focus Group Questions – English Version

1 Do you always have meals in restaurant? How often is it once a week? Why?

2 Do you always cook yourself? Do you take health/nutrition into consideration when choosing meals/foods? Do you think that you can absorb enough nutrition from your daily meal?

3 Are you easy to get sick? Why? Do you have any measurements to improve this problem?

4 Have you paid any attention on your eating habit? (Maybe due to getting fatter or thinner) Any measurements to alleviate the worries?

5 Have you read any ad/promotion of health food products? Can you show us some brands of health food products? Do you think this information of these promotions is reliable? Have you been recommended by your family and friends to use health food products? Have you ever bought any these products?

6 Have you follow the products instruction to take the health food products? Did you stop to use the products? Why?

7 Have you switch to use the other brands? If so, why? And how often?

8 What criteria you will take into consideration when you buy the health food products? (effectiveness, country of origin, side effect, brands etc)

9 Do you think that price and promotion will affect your buying decision?

10 Where did you buy the health food products mostly? Why? (Direct selling companies, Watson's, Mannings etc). Can you show us some names of direct selling companies?

11 What is your preference to the package of health food products? (Color, size etc.)

12 What is your opinion on the Chinese medicines?

Appendix F

Focus Group Questions – Chinese version

1. ??????????????????????
2. ??????????? ??????????????????? ???????????????????
3. ????????????????????
4. ????????????????(????????????,)????????
5. ??????????????????? ????????/??? ????????????????????????????????????
6. ??????????????????
7. ?????/?????????????,??????????
8. ????????????????????(??, ??, ???, ??. . .)
9. ?????/ ?????????
10. ????????????????????(????/ ??/ ???/???) ???????????
11. ????????????????(?/ ????/ ???. . . .) ????????
12. ??????????

Appendix C

Focus Group Report for health food product

Date: 23 February 2000

Interviewees: All of them are university students.

8 females included 1 moderator.

Age range from 21 to 23

Question 1

Most of them said that they always eat outside, more than 10 times a week. It is because most of them live in hostel and some of their families are likely to eat outside.

Question 2

Some of them are likely to cook themselves, but they said that the nutrients they absorbed was not enough. They said although sometimes they would care for their health, they felt that their health is not very good.

Question 3

Some of them felt that they were quite easily to get sick, they think that it was because they cannot make their bodies healthier (☺☺☺☺☺☺☺☺)

Question 4

Most of them felt that they got fatter, so they will take more consideration as they have their meals. There are several methods they suggested for them to keep fit:

1. Don't eat too much, or eat little.
2. Do some exercise (aerobics, sports, playing dancing VT games etc.)
3. Eat more vegetables to improve the digestion problems
4. Having some specific food, for example, dietary meal (☺☺), tea(☺☺☺), pills etc.

Question 5

They said that they saw many advertisements about health food product, and mostly

for keep fit and adjust the body becomes healthier. For example, Mitsumura Fiber, NU Life, Herballife, Fancl, ?????, SQII???, etc. Some of them felt that if more promotion and advertisements for such health food products, they will suspect its effectiveness and with some negative mind set and not buy such brands. On the other hand, some of them felt that if the advertisements with many people to recommend, with some successful examples and informative, then they would try such products. Also some of them expressed that if their friends recommend, the probability of trail is much higher. They tried some direct marketing firm 's product (Herballife & NU life). The main reason was that such products were recommended by their friends and relatives. One of the respondents said that she bought many health food products from Fancl House. It was because the salesladies recommended some health food products to her patiently and informatively. Moreover if she buy more products, she can get some free of charge present. She thought it is a key motivation for her to re-purchase.

Some brands they have tried, and they expressed some comments on such products:

Question 5&7

Brand/product	**Why use it**	**Comment**	**Continue/not**
Brand/Product	Reasons to use	Comments	Continue or not
Herbal Life	Recommended by friends	Good for keep fit	No because of expensive
Mitsumura Fiber	Advertisement	Not useful	No
Vitamin B	Sales recommend	Better skin nature	No
Vitamin C	Relatives and doctor recommend	Become healthier	Yes because of more healthier
Vitamin E	Doctor and friends recommend	Frequent excretion and less acne	Yes
?????	Advertising	Not very effective	No due to not useful
???	Recommended by friends	Frequent excretion	No
?????	Advertisement	Not tasteful	No motivation
Tense up (Fancl)	Recommended by sales	Good for skin and keep in good spirits, but expensive	No owing to expensive
Magic water(Soign)	Recommended by sales	Good spirit but quite expensive	

Con't

Keep fit tea (China)	Recommended by relatives	Diarrhea, Celialgia anorexia	No owing to side effect
???	Recommended by relatives	Keep healthy but quite expensive	No due to expensive

Question 6

Most of them said that they followed the instruction to eat such products.

Question 8

All of them thought that the most important criteria for them to buy health food product is the effectiveness, if it is effective, the country origin and the price are not very important for consideration.

Question 9

Most of them felt that if the product is not effective, whatever the intensive promotion and the price is lower, they still get any intention to buy. But as they buy such product, they will consider little about them.

Question 11

All of them said that no preference in the packaging, but they prefer the one in smaller package, because they feel that the food is fresher.

Question 12

Most of them felt that if the product is effective, the country of origin will not be considered. And they mentioned that the health food must have license and approval from authority, because the confidence of Chinese products is low.

Focus group report for health food product

Date: 26th February 2000

Interviewees:
- 11 people included 1 moderator,
- Age range from 21 to 27,
- 4 females (1 immigration department officer, 1 salesperson, 1 student, 1 teacher),
- 6 males (Civil servants: 1 post officer, 1 fireman, 2 immigration department officers, 1 policemen, and 1 accounting clerk)

Question 1

Half of them eat outsides frequently, and the other half eats at home usually. The reasons for eat outside are that they live alone and cannot/are lazy to cook.

Question 2

Most of them felt that they could obtain enough nutrients from what they ate. But they supplement that it was hard to know what is enough. However, few of them especially the female interviewees felt that they were not health enough.

Question 3

Most of the female said that they get sick frequently. Most of males said that they did not always get sick because they felt they had done enough exercise. But they mentioned that get sick was common to everyone.

Question 4

All of them, except one female and one male, said that they got fatter than 3 months ago. They expressed that they had tried to keep fit/reduce weight in the way of eating fewer, doing more exercise e.g. Ballgames, gym, and swimming. The females and few males said that they would use health food products, such as pills, to kit fit.

Question 5

The interviewees said that the advertisements of health food product were found easily on the TV, billboards. But some of them failed to quote the examples. Most

famous brand to them were ????? and SQII. And they could remember the representative of the health product only but not the brand. For example, they remembered that??? and ?? were the representative of health food product but they did not remember the brands. (This problem were found from the male interviewees)

Females had more knowledge about the health food product and they have tried different products. Also, they would pay more attention on the related advertisement.

The products they (both females and males) tried were recommended by the friend and family members usually. Because their friends and family members have tried the product before and/or they were the member of direct marketing companies.

Besides, they concerned the side effect of the products quite much. Some pointed out that some products have following side effects.

1. Breeding acne
2. Diarrhea
3. Halitosis

Question 6

Some of them said that they had followed the instructions to use the product. But they sometimes would forget to use it on time.

Question 7

N/A

Question 8

The criteria the interviewees used were followings.

1. Effectiveness
2. Prices
3. Promotion [Brand name]
4. Country of origin

They said that the effectiveness and brand name were the most important.

Question 9

Most of them felt that the products had bit effectiveness. They would switch different brands and types of health food product in order to look for a product which was most suitable them. They said that promotion would affect their buying decision when no friend had tried the product. Few said they would not buy the product if its price above $200.

Question 10

The interviewees had quite different answers to this question. 1 female and 1 male bought the product from the retailers including Watson's and dispensatories. And 3 females bought the products from the members of direct marketing retailers including Nulife,

Question 11

All of them would not pay much attention on the package of the products. And they expressed that they had no special preference on the package of the products. Only one requirement was that the package must salty enough to protect the hygiene of product inside.

Question 12

All of them had no confidence on the health food products which were produced in Chinese or it was Chinese brand, because they perceive the Chinese health food product as low quality of product, effectiveness and with side effects.

Appendix H

Transcript of in-depth interview of retailers

Company: Pharmanex
Interviewee: Rex, Sales of Pharmanex

1. **How to categorize the health food products in your company?**
   The health food products mainly categorize into dietary supplement and functional health food. Dietary supplement provides general supplement and nutrient such as Fiberry bar, Echinacea that support the body's immune system. Functional health food is to focus on the special needs like lower cholestin, antioxidant for protection of cells, tissues, and organs. Functional health food is Tea Green and so forth.

2. **Have you heard "neutriceuticals based", "herbal based" and "natural vitamin"?**
   Basically, Pharmanex strongly emphasizes on herbal based products, especially herbal based with Chinese medical compound. It is because most customers believe the Chinese medical compound rather effective than the western medical compound. But herbal based with Chinese medical compound is still not under appropriate quality control.

3. **Can you define the above-mentioned categories?**
   "Neutriceuticals based health food" is nutrient extract from natural food for general use such as liver oil, ginseng. The effectiveness of this health food is equal to that of medicine. Naturally, customers can buy this health food in general public.

   "Herbal based health food" is functional health food that the nutrient is extract from all compound of the herbal. Herbal based health food is natural nutrient to accelerate the body's growth (? ? ? ?). It is likely the daily food.

4. **Which categories are popular in the HK market?**
   In his company, dietary supplement comparatively is popular in the HK market. But he predicted that functional health food with Chinese medicine added will be the trend in the future. It is because most customers believe the effectiveness of the Chinese medicine.

5. **Which country of origin is your company's product from?**
   His company is US based health company so that it certainly sells the health products from US

6 **Which country brand is the best sale?**
   N/A

7. **Is your company likely agent or suppliers?**
   His company is both agent and supplier. The company has manufacturing factory in US that distribute health product to each agent in each region around the world.

8. **Have your company sell any Canadian health food product?**
   No

9. **If yes, are those products popular? Can you show me which brands?**
   N/A

10. **If no, what problems do you find or make you not willing to sell those products, like no communicate with those agents, low potential, etc.**
    N/A

11. **Which factors of 4Ps you think are important for the customers? Please. give reasons.**
    ~ Product: brands, component, country, effectiveness
    ~ Price: affect sales? is it the most important thing?
    ~ Promotion: effectiveness of promotion on sales?
    ~ Place

    Product is the most important because if the health food product is very effective, the customers usually have confident to purchase. This keeps the customers' loyalty. In addition, the quality of the product have been tested and guaranteed by authorities that are able to persuade customers to take.

    Promotion is the second most important due to the increase in awareness of the product. His company has been advertised in magazines. The interviewee, Rex feels that word of mouth is very effective to promote the products.

Price is the third important. Customers regard that the product is high quality and effective. They are willing to pay more.

Place is not important for him.

12 What is your company's target market or segmentation? (like sex, age)

The main target customer is middle age people. But his company's products cover wide range of segment from baby to elderly people.

13 What do you thinks about the Chinese health products? (I mean the potential)

If the Chinese health products get the guarantee of authorities, they will be popular in the future HK market.

Appendix H

Transcript of in-depth interview of retailer

Company: TACK LONG DISPENSARY LTD.
Address: 21, Hankow Road, TST

1 **How to categorize the health food products?**
Vitamin, herbal-based, neutriceuticals, weight control

2 **Have you heard neutriceuticals, herbal based products like garlic, natural vitamin?**
Yes, component likes? ? ? ?, ? ? ?.

3 **Can you define the above-mentioned categories?**

Which categories (the above-mentioned like herbal-based products) are popular in the market?

Mainly in vitamin category, because HK people have more and longer knowledge on vitamin, so they prefer to buy vitamin product

4 **Which country origin of your company's products come from?**
Mainly come from US and Canada, Australia and New Zealand

5 **Which country brand is the best sale?**
US and Canada
US and Canada have more product and the price is cheaper

6 **Is your company like agent or suppliers?**
No. Because it depends on the quantity of import, it is necessary to buy in bulk if want to be an agent, so they buy the product from some local agents.

7 **Do you have any Canadian health food product to sell?**
The shop has Canadian-made vitamin and herbal-based products to sell, but no neutriceuticals product.

8 **If yes, are those products popular? Can youu show me which brands?**
Canadian brands like Jamieson, Kirkland and Hy & Zel.
Jamieson was the only brands sold in that shop, included different kinds of vitamin and herbal-based product.

Jamieson: Formula NT-OX, Super Vita-Vim, Vitamin C, E, Mega-Cal Calcium, Allicin Rich Garlic, Palmier nain (herb).

9 *If no, what problems do you find or make you not willing to sell those products, like no communicate with those agents, low potential, etc.*
N/A

10 **Which factors of 4Ps you think are important for the customers? Please. give reasons.**
~ Product: Basically, customers do not have special preference but the shopkeeper will recommend US and Canadian product because they think their quality is better.

For customers, Brand is important (for popular brands only)

~ Price: if the difference is not big is also acceptable, but if the brands are popular, like SQ2, it is doesn't matter for customer since it is expensive.

~ Promotion: Very important for customer

~ Place

11 **What is the your company's target market or segmentation?**
Very even distribution in male and female.
Buyers are middle-aged or above

12 **What do you think about the Chinese health products? (I mean the potential) and do you know the customer's perception towards the Chinese health products?**
The interviewee said that there is no potential for Chinese product, because he suspects the quality of Chinese product. He had no confidence on that product and believed the QC of the Chinese product is not good enough. Chinese health product category is not broad, mainly in vitamins.

Other recommendations:

<u>Re-pack</u>

Some products are packed in large volume and re-pack in small volume, but may be in different brands, although it is the same thing. Moreover, some brands can set a

higher price and some is lower, it depends on the brand name.

Package

Some Canadian products, like Jamieson, were packed in a plastic bottle when they sold in their home country, however, they are packed with extra paper-made boxes when sold in Hong Kong. The interviewee explained that Hong Kong perceive that it provided better outlook and more creditable.

There is no products were packed in glass bottle, because the glass bottle is heavier which make the transportation cost is higher, and it is easy to be broken. Also, cotton will be packed inside of the bottle in export items, it prevents the pills from crashing during transporting.

Appendix H

Transcript of in-depth interview of retailer

Company: **Eu Yan Sang (H.K) Ltd.**
Interviewee: **Ella Lee, Advertising & Promotions Manager**
Date: **19/2/2000**

Ella Lee replied the interview questions by e-mail. The content of the e-mail she said to us:

Thank you for your email dated Feb 18 regarding the captioned.

I regret that our General Manager is currently out-of-town and cannot meet with you as requested.

You can visit our shop to get more information on our Health Food Product. I am not quite sure if you refer to sort of vitamin/dietary supplements (i.e. Pro-Nature) or general health food, e.g. chicken essence, bottled bird's nest, soup packs etc.

Our Pro-Nature products are manufactured in the States (not Canada). We classified Pro-Nature as "dietary supplement" which help rectify dietary deficiencies and restore the body's natural balance.

As for the 4P issue, we consider that place (distribution) and promotion are more important factors than price and product. For dietary supplements, we think that it is crucial to educate the customers of the reasons and the need for taking the supplements, Besides, there must be strong distribution channel to support the sales. Brand image is also critical in affecting customers' buying incentive. There are too many kinds of health food existing in HK and strong brands with good reputation will help build up confidence amongst consumers.

Our target customers will be both sexes, aged 25-40, with middle to high level of income, white collar, executive or housewives, those who concern quality of life, their own health conditions and willing to try new things.

The marketing potential of health food is indeed high in Hong Kong. People are concerned about their life quality and understand the efficacy of Chinese Medicine. Most of the Pro-Nature products are extracted from Chinese medicines (such as grape seed, green tea, evening primrose, St John's Wort etc) which are safe and easy to take.

These kinds of supplements or health foods are appealing to the customers but they like to get more informative data before they take the capsules.

Eu Yan Sang in recent years have developed several new produces in order to capture untapped market and to expand customer base. Moreover, new products and market development are very important to our business development in this competitive market environment.

Appendix H

Transcript of in-depth interview of retailer

Company: **Cucumber NutriHealth Centre (????????)**
Interviewee: **Ms. Corin Hui**
Date: **29/02/00**

1. **How to categorize the health food products in your company?**
   Confectionery without adding chemical compound (e.g biscuit), organic food (e.g wheat, buskwheat) and food supplement. The company does not sell the vitamin.

2. **Have you heard neutriceuticals, herbal based products like garlic, natural vitamin?**
   Yes.

3. **Can you define the above-mentioned categories?**
   Neutriceuticals based health food product is confectionery and organic food that she has mentioned in question 1.

   Herbal based health food product is extract from the plants that can produce nutrient. Herb is not medicine and only for daily food supplement.

   Natural vitamin is expensive compared with vitamin with chemical compound. The reason is that natural vitamin is originated from all natural food which does not contain any chemical compound. But the vitamin with chemical compound is extract from oil (? ? ? ? ?) which is called non-natural vitamin.

4. **Which categories (the above-mentioned like herbal-based products) are popular in the market?**
   Confectionery is comparatively popular in the HK market.

5. **Which country of origin does your company's products come from?**
   80% and 20% of health products are from Japan and from Australia, Canada, USA and Europe respectively. Many Japanese health products have research and analysis that has been conducted by the Japanese manufacturers for 20 years. In addition, the taste of the products is relatively suitable to the local customers. On the other hand, the taste of food from the western countries like USA, Canada is not very suitable to local customers.

6. **Which country brand is the best sale?**
   Japanese brand

7. **Is your company likely agent or suppliers?**
   Agent

8. **Have you sell any Canadian health food product?**
   Yes

9. **If yes, are those products popular?, Can you show me which brands?**
   The company sold little Canadian health food products before. But it does not sell now because the quality of Buckwheat and brown rice from Canada is not very high this season. The company will sell Buckwheat later. Besides, the interviewee, Ms Hui, thinks there is the famous organisation to strictly control the quality of product in USA. Canadian health food products have not been developed for long time and get the government approval. Her company has confidence to sell such products. But it takes into account the local market responses for the Canadian health food products in Canada.

10 **Which factors of 4Ps you think are important for the customers? Please. give reasons**
   ~ Product: brands, component, country, effectiveness
   ~ Price: affect sales?, is it the most important thing?
   ~ Promotion: effectiveness of promotion on sales?
   ~ Place

   Effectiveness of product is the most important among 4Ps. The company emphasizes on the product origin and product manufacturers. Both can give the company confident to sell. Especially Japanese and American health food product can be accepted due to the strict standardization to control the quality of health products.

   The second most important is location for the company. Its customer base mainly is female; thus the company sells its health products in the places where most women visit like Grand Century Place. This can be easy to sell its products.

   Price and promotion is not more important than product and location. The company that regards the product showing the effectiveness, the customers are

willing to pay more. The company also does not allocate more resource to promotion like advertising on TV, billboard in MTR station due to the great influence fr word-of-mouth, membership to offer discount and stamp card.

11 **What is your company's target market or segmentation? (like sex, age)**
25-40, female

12 **What do you think about the Chinese health products? (I mean the potential) and do you know the customer's perception towards the Chinese health products?**
Chinese health products will be popular in the future market. There will be government policy to control the Chinese health food products like "??". In addition, if the health food company sells the Chinese health food products in the future, it will get the license. Therefore, customers will have confidence to buy those products. Cucumber NutiHealth Centre considers selling such Chinese health products.

The health food product manufactured in China, her company suspends the safety. Customers have still not confidence to those products.

***The additional question:**

13 "What do you think the packaging?", "Does packaging of health food products affect the customer's purchase decision?
Customers normally prefer the packaging similar to the package of confectionery.

Customers don't like the health food product packed in the glass bottom because this looks like medicine.

Her company's products are import from the foreign countries without repackaging in HK.

14 **"What do you think the thought of the Chinese towards health food products?"**
The Chinese prefers the absorption of nutrient in the form of food instead of that in the form of pill.

Appendix H

Transcript of in-depth interview of retailer

Interviewee: Mrs Lam (members and health consultant of GAIA International (Hong Kong) LTD.
Date: 17 February 2000
Direct Marketing Firm

Summaries of Interview

The company is established in Hong Kong in 1997, until now, there are more than 5,000 members. Most of the sales are obtained by its members, they mainly use direct marketing skills to receive sales.

It mainly sells the health food products and some food supplement, According to Mrs Lam 's interview she described and separated her company's products from three types. Such separation is according to the function of products, they are for Keep-fit, for beauty, for specific purpose to the human body (such as for digestion system, spiritual purpose and bones etc.) She expressed that the most appreciated products are with Keep-fit function. She always emphasized that her company's products are all produced in natural way, and with no side effect and only food supplement not pills or with pharmaceutical properties. Moreover all of her company's products are passed the FDA, and with the permission to sell around the world, and they are made in USA.

The company is a supplier and manufacturer of its products. And Mrs Lee felt that her company mainly concerns about the product's effectiveness, so most of the consumers can accord their needs and their body's problem to buy the products. And she emphasized that her company is mainly according to the consumer's needs to tailor-made the products. She said that her company mainly uses their members to promote the products by "Word of Mouth", and sometimes will through magazine print advertisements to promote her company's products. She said that her company always tells its members a concept, that is as using members to work for promotion is more powerful and motivate, because nearly all the promotion budget are paid for its members back. She told us that its members always hold some exhibition by themselves (no any subsidiaries from company). The target customers of this company are those concerning health and keep-fit persons.

She expressed that the company does not sell any Canadian health products and she

have no ideas that her company will sell in the future cause her company's headquarters are in USA.